

SB0054S03 compared with SB0054S01

~~{Omitted text}~~ shows text that was in SB0054S01 but was omitted in SB0054S03

inserted text shows text that was not in SB0054S01 but was inserted into SB0054S03

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Carson Smith Opportunity Scholarship Program Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: R. Neil Walter

LONG TITLE

General Description:

This bill amends provisions of certain scholarship programs.

Highlighted Provisions:

This bill:

- eliminates income based eligibility requirements for the ~~{Carson Smith Opportunity}~~ scholarship;
- removes ~~{Carson Smith Opportunity}~~ scholarship eligibility for a sibling;
- aligns the ~~{Carson Smith Opportunity}~~ scholarship requirements with the Utah Fits All Scholarship Program;
- allows the ~~{Carson Smith Opportunity}~~ scholarship granting organization to approve qualified providers and private schools;
- requires the ~~{Carson Smith Opportunity}~~ scholarship granting organization to ensure physical education and extracurricular caps are followed;
- amends the definition of scholarship expense to be the same across multiple scholarship programs;

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- 19 ▶ establishes primary residency verification to be eligible for a {~~Carson Smith Opportunity~~} scholarship;
- 21 ▶ creates a deadline for an eligible student to accept the {~~Carson Smith Opportunity~~} scholarship that the scholarship granting organization determines;
- 23 ▶ clarifies entities that are not eligible to be a qualified provider under the {~~Carson Smith Opportunity~~} scholarship program; and
- 25 ▶ {~~clarifies that eligible students must be under 19 years old as of September 1 of the Utah Fits All scholarship year;~~}
- 27 ▶ {~~establishes consumer protection standards for Utah Fits All scholarship expenses and reimbursements;~~}
- 29 ▶ {~~enhances program oversight and compliance mechanisms;~~}
- 30 ▶ {~~improves customer service and marketplace operation standards; and~~}
- 31 ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

53E-7-401 (Effective 05/06/26), as last amended by Laws of Utah 2024, Chapter 466

53E-7-402 (Effective 05/06/26), as last amended by Laws of Utah 2024, Chapter 466

53E-7-404 (Effective 05/06/26), as last amended by Laws of Utah 2024, Chapter 466

53E-7-405 (Effective 05/06/26), as last amended by Laws of Utah 2024, Chapter 466

53E-7-407 (Effective 05/06/26), as last amended by Laws of Utah 2024, Chapter 466

53E-7-408 (Effective 05/06/26), as last amended by Laws of Utah 2024, Chapter 466

53E-7-408.5 (Effective 05/06/26), as enacted by Laws of Utah 2024, Chapter 466

~~{53F-6-401 (Effective 05/06/26), as last amended by Laws of Utah 2025, First Special Session, Chapter 9}~~

~~{53F-6-402 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 25}~~

~~{53F-6-405 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 25}~~

~~{53F-6-406 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 25}~~

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~~{53F-6-408 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 25}~~

59-1-403 (Effective 05/06/26) (Applies beginning 01/01/26) (Partially Repealed 07/01/29), as last amended by Laws of Utah 2025, Chapters 182, 323, 400, and 498

59-7-625 (Effective 05/06/26) (Applies beginning 01/01/26), as last amended by Laws of Utah 2024, Chapter 466

59-10-1041 (Effective 05/06/26) (Applies beginning 01/01/26), as last amended by Laws of Utah 2024, Chapter 466

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

Section 1. Section **53E-7-401** is amended to read:

53E-7-401. Definitions.

As used in this part:

(1) "The Carson Smith Opportunity Scholarship Program" or "program" means the program established in Section 53E-7-402.

(2) "Eligible student" means[~~±~~]

[(a)] a student who:

[(i)] (a) is:

[(A)] (i) eligible to participate in public school, in kindergarten, or grades 1 through 12;

[(B)] (ii) enrolled in a qualifying school as defined in Subsection [(11)] (10);

[(C)] (iii) a home-based scholarship student as defined in Subsection [(6)] (4); or

[(D)] (iv) at least three years old before September 2 of the year the scholarship is awarded;

[(ii)] (b) is a primary resident of the state;

[(iii)] (c) has a qualified disability identified under 20 U.S.C. Sec. 140(3) as determined by:

[(A)] (i) having an IEP within the previous three years; or

[(B)] (ii) a multidisciplinary team evaluation described in Subsection [(7)] (5); [and]

[(iv)] (d) during the school year for which the student is applying for the scholarship, is not:

[(A)] (i) a student who receives a scholarship under the legacy Carson Smith Scholarship Program created in Section 53F-4-302; [or]

(ii) a student who receives a scholarship under the Utah Fits All Scholarship Program created in Section 53F-4-302; or

[(B)] (iii) enrolled as a public school student; [or]

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- 85 (e) provides verification of primary residence in this state, through a parent's income tax records, utility
bill, lease agreement, or property tax records; and
- 87 (f) for out-of-state military families through a parent attestation, is not enrolled in a public school
elsewhere while receiving the scholarship.
- 89 ~~[(b) a student who:]~~
- 90 ~~[(i) meets the requirement of Subsections (2)(a)(i) and (ii); and]~~
- 91 ~~[(ii) is a sibling of and resides in the same household as a student described in Subsection (2)(a) if:]~~
- 93 ~~[(A) the student described in Subsection (2)(a) is a scholarship student and has verified enrollment or~~
intent to enroll at a qualifying school or participate in services provided by a qualifying provider;
and]
- 96 ~~[(B) the sibling is applying for a scholarship to attend the same qualifying school or participate in the~~
same services provided by a qualifying provider.]
- 98 (3)
- (a) "Employee" means an individual working in a position in which the individual's salary, wages, pay,
or compensation, including as a contractor, is paid from:
- 100 (i) program donations to a scholarship granting organization; or
- 101 (ii) scholarship money allocated to a qualifying school or qualifying provider by a scholarship
granting organization under Section 53E-7-405.
- 103 (b) "Employee" does not include an individual who volunteers at the scholarship granting organization,
qualifying school, or qualifying provider.
- 105 ~~[(4) "Family income" means the annual income of the parent, parents, legal guardian, or legal guardians~~
with whom a scholarship student lives.]
- 107 ~~[(5) "Federal poverty level" means the poverty level as defined by the most recently revised poverty~~
income guidelines published by the United States Department of Health and Human Services in the
Federal Register.]
- 110 ~~[(6)]~~ (4) "Home-based scholarship student" means a student who:
- 111 (a) is eligible to participate in public school, in kindergarten or grades 1 through 12;
- 112 (b) ~~[is-]~~ attests to being excused from enrollment in an LEA ~~[in accordance with Section 53G-6-204]~~to
attend a home school; and
- 114 (c) receives a benefit from a scholarship under the program.
- 115 ~~[(7)]~~ (5) "Multidisciplinary evaluation team" means two or more individuals:

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- 116 (a) who are qualified in two or more separate disciplines or professions; and
117 (b) who evaluate a child.
- 118 ~~[(8)]~~ (6) "Officer" means:
- 119 (a) a member of the board of a scholarship granting organization, qualifying school, or qualifying
provider; or
121 (b) the chief administrative officer of a scholarship granting organization , qualifying school, or
qualifying provider.
- 123 (7) "Primary residence" means the one location where an individual resides for the majority of the year.
- 125 ~~[(9)]~~ (8) "Program donation" means a donation to the program under Section 53E-7-405.
- 126 ~~[(10)]~~ (9) "Qualifying provider" means:
- 127 (a) an entity that:
- 128 (i) is not a public school and is autonomous and not an agent of the state, in accordance with Section
53E-7-406; and
130 (ii) meets the requirement described in Section 53E-7-403; and
131 (b) ~~[is]~~ an eligible service provider approved by the scholarship granting organization in accordance
with Section 53E-7-408.5.
- 133 ~~[(11)]~~ (10) "Qualifying school" means a private school that:
- 134 (a) provides kindergarten, elementary, or secondary education;
135 (b) is approved by the state board under Section 53E-7-408; and
136 (c) meets the requirements described in Section 53E-7-403.
- 137 ~~[(12)]~~ (11) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother, uncle, aunt,
nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law,
or daughter-in-law.
- 140 ~~[(13)]~~ (12) "Scholarship" means a grant awarded to an eligible student:
- 141 (a) by a scholarship granting organization out of program donations and appropriations the Legislature
provides; and
143 (b) for the purpose of paying for a scholarship expense.
- 144 ~~[(14)]~~ (13)
- (a) "Scholarship expense" means an expense that a parent or eligible student incurs in the education of
the eligible student for goods or a service that a qualifying school or qualifying provider provides or
facilitates, including:

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- 147 ~~[(a)]~~ (i) published tuition and fees of a qualifying school or qualifying provider;
- 148 ~~[(b)]~~ (ii) fees and instructional materials at a technical college;
- 149 ~~[(c)]~~ (iii) tutoring services;
- 150 ~~[(d)]~~ (iv) fees for after-school or summer education programs;
- 151 ~~[(e)]~~ (v) textbooks, curricula, or other instructional materials, including any supplemental materials
or associated online instruction that a curriculum, qualifying provider, or a qualifying school
recommends;
- 154 ~~[(f)]~~ (vi) educational software and applications;
- 155 ~~[(g)]~~ (vii) supplies or other equipment related to an eligible student's educational needs;
- 157 ~~[(h)]~~ (viii) computer hardware or other technological devices that are intended primarily for an
eligible student's educational needs;
- 159 ~~[(i)]~~ (ix) fees for the following examinations, or for a preparation course for the following
examinations, that the scholarship granting organization approves:
- 161 ~~[(i)]~~ (A) a national norm-referenced or standardized assessment described in Section 53F-6-410, an
advanced placement examination, or another similar assessment;
- 164 ~~[(ii)]~~ (B) a state-recognized industry certification examination; and
- 165 ~~[(iii)]~~ (C) an examination related to college or university admission;
- 166 ~~[(j)]~~ (x) educational services for students with disabilities from a licensed or accredited practitioner
or provider, including occupational, behavioral, physical, audiology, or speech-language
therapies, or other licensed or accredited practitioners approved by the scholarship granting
organization;
- 170 ~~[(k)]~~ (xi) contracted services that the scholarship granting organization approves and that an LEA
provides, including individual classes, after-school tutoring services, transportation, or fees
or costs associated with participation in extracurricular activities, as long as the LEA does not
require the scholarship student to enroll to participate;
- 175 ~~[(l)]~~ (xii) ride fees or fares for a fee-for-service transportation provider to transport the eligible
student to and from a qualifying school or qualifying provider, not to exceed \$750 in a given
school year;
- 178 ~~[(m)]~~ (xiii)

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(A) expenses related to extracurricular activities, field trips, educational supplements, physical education experiences, and other educational experiences not to exceed 20% of the total scholarship amount; [or] and

(B) the 20% maximum for expenses related to extracurricular activities and physical education described in Subsection (13)(a)(xiii)(A) does not apply to expenses related to physical therapy expenses;

(xiv) physical therapy expenses that are required to facilitate educational services; or

~~[(n)]~~ (xv) expenses the scholarship granting organization approves in accordance with Subsection 53E-7-405(3).

(b) Scholarship expense does not include:

(i) chaperone expenses;

(ii) season tickets, annual passes, or subscriptions to entertainment venues; and

(iii) the purchase of furniture.

~~[(15)]~~ (14) "Scholarship granting organization" means an organization that is:

(a) qualified as tax exempt under Section 501(c)(3), Internal Revenue Code; and

(b) recognized through an agreement with the state board as a scholarship granting organization, as described in Section 53E-7-404.

~~[(16)]~~ (15) "Scholarship student" means an eligible student, including a home-based scholarship student, who receives a scholarship under this part.

~~[(17)]~~ (16) "Value of the weighted pupil unit" means the amount established each year in the enacted public education budget that is multiplied by the number of weighted pupil units to yield the funding level for the basic state-supported school program.

Section 2. Section **53E-7-402** is amended to read:

53E-7-402. Carson Smith Opportunity Scholarship Program.

(1) There is established the Carson Smith Opportunity Scholarship Program under which a parent may apply to a scholarship granting organization on behalf of the parent's student for a scholarship to help cover the cost of a scholarship expense.

(2)

~~[(a)]~~ A scholarship granting organization shall award, in accordance with this part, scholarships to eligible students.

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- 209 [(b) In awarding scholarships, a scholarship granting organization shall give priority to an eligible student described in Subsection 53E-7-401(1)(a) by:]
- 211 [(i) establishing an August 10 deadline for an eligible student described in Subsection 53E-7-401(1)(b) to apply for a scholarship; and]
- 214 [(ii) awarding a scholarship to an eligible student described in Subsection 53E-7-401(2)(b) only if funds exist after awarding scholarships to all eligible students described in Subsection 53E-7-401(2)(a) who have applied and qualify.]
- 217 [(c) Subject to available funds, a scholarship awarded to an eligible student described in Subsection 53E-7-401(2)(b) shall be for a similar term as a scholarship awarded to the eligible student's sibling.]
- 219 (3) A scholarship granting organization shall determine a full-year scholarship award to pay for the cost of one or more scholarship expenses in an amount not more than[:]
- 221 [(a) for an eligible student described in Subsection 53E-7-401(2)(a)] , for a student who is:
- 223 [(i)] (a) in kindergarten through grade 12[and whose family income is:] , the value of the weighted pupil unit multiplied by 2.5; and
- 225 [(A) at or below 185% of the federal poverty level, the value of the weighted pupil unit multiplied by 2.5;]
- 227 [(B) except as provided in Subsection (3)(a)(i)(C), above 185% of the federal poverty level, the value of the weighted pupil unit multiplied by two; or]
- 231 [(C) above 185% of the federal poverty level and the eligible student would have received an average of 180 minutes per day or more of special education services in a public school before transferring to a private school, the value of the weighted pupil unit multiplied by 2.5; or]
- 232 [(ii)] (b) in preschool[;] :
- 233 (i) for full-time enrollment, the value of the weighted pupil unit; or
- 234 (ii) for part-time enrollment, the value of the weighted pupil unit multiplied by 0.55.
- 236 [(b) for an eligible student described in Subsection 53E-7-401(2)(b), half the value of the weighted pupil unit.]
- 237 (4)
- (a) A scholarship granting organization shall:
- (i) establish and communicate to an eligible student a deadline by which the eligible student must accept or deny the scholarship offer; and

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- 239 (ii) communicate to an eligible student that failure to respond by the deadline described in (4)(a)(i)
241 may result in forfeiture of the scholarship offer.
- 241 (b) The State Tax Commission may, upon request, provide state individual income tax information to a
244 scholarship granting organization for residence verification purposes regarding a given individual if:
244 (i) the individual voluntarily provides the individual's social security number to the scholarship granting
246 organization; and
246 (ii) the individual consents in writing to the sharing of state individual income tax and residence
249 information solely for the purpose of residency verification purposes.
- 249 (c) The State Tax Commission shall create and implement a residency verification process and tool to
251 facilitate this verification process.
- 251 [(4)] (5) Eligibility for a scholarship as determined by a multidisciplinary evaluation team under this
program does not establish eligibility for an IEP under the Individuals with Disabilities Education
Act, Subchapter II, 20 U.S.C. Secs. 1400 to 1419, and is not binding on any LEA that is required to
provide an IEP under the Individuals with Disabilities Education Act.
- 256 [(5)] (6) The scholarship granting organizations shall prepare and disseminate information on the
program to a parent applying for a scholarship on behalf of a student.
- 243 Section 3. Section **53E-7-404** is amended to read:
- 244 **53E-7-404. State board duties.**
- 260 (1) The state board shall:
- 261 (a) publish on the state board's website:
- 262 (i) information about the program; and
- 263 (ii) information about each scholarship granting organization;
- 264 (b) conduct a financial review or audit of a scholarship granting organization, if the state board receives
evidence of fraudulent practice by the scholarship granting organization;
- 267 (c) conduct a criminal background check on each scholarship granting organization employee and
scholarship granting organization officer;
- 269 (d) establish uniform financial accounting standards for scholarship granting organizations; and
- 271 (e) in accordance with Section 53E-1-202.1, annually submit a report on the program to the Public
Education Appropriations Subcommittee that includes:
- 273 (i) administrative costs of the program;
- 274

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(ii) the number of scholarship students that are eligible students [~~described in Subsection 53E-7-401(2)(a) and the number of scholarship students that are eligible students described in Subsection 53E-7-401(2)(b)~~] from each school district;

(iii) standards used by the scholarship granting organization to determine whether a student is an eligible student; and

(iv) savings to the state and LEAs as a result of scholarship students exiting the public school system.

(2)

(a) In accordance with Subsection (3) and Title 63G, Chapter 6a, Utah Procurement Code, the state board shall issue a request for proposals and enter into at least one agreement with an organization that is qualified as tax exempt under Section 501(c)(3), Internal Revenue Code, to be recognized by the state board as a scholarship granting organization.

(b) An organization that responds to a request for proposals described in Subsection (2)(a) shall submit the following information in the organization's response:

(i) a copy of the organization's incorporation documents;

(ii) a copy of the organization's Internal Revenue Service determination letter qualifying the organization as being tax exempt under Section 501(c)(3), Internal Revenue Code;

(iii) a description of the methodology the organization will use to verify that a student is an eligible student under this part; and

(iv) a description of the organization's proposed scholarship application process.

(3)

(a) The state board shall enter into an agreement described in Subsection (2)(a) with one scholarship granting organization on or before January 1, 2021.

(b) The state board may enter into an agreement described in Subsection (2)(a) with additional scholarship granting organizations after January 1, 2023, if the state board makes rules regarding how multiple scholarship granting organizations may issue tax credit certificates in accordance with Section 53E-7-407.

(c)

(i) No later than 10 days after the day on which the state board enters into an agreement with a scholarship granting organization, the state board shall forward the name and contact information of the scholarship granting organization to the State Tax Commission.

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(ii) If, under Subsection (4)(c)(i), the state board bars a scholarship granting organization from further participation in the program, the state board shall, no later than 10 days after the day on which the state board bars the scholarship granting organization, forward the name and contact information of the barred scholarship granting organization to the State Tax Commission.

311 (4)

(a) If the state board determines that a scholarship granting organization has violated a provision of this part or state board rule, the state board shall send written notice to the scholarship granting organization explaining the violation and the remedial action required to correct the violation.

315 (b) A scholarship granting organization that receives a notice described in Subsection (4)(a) shall, no later than 60 days after the day on which the scholarship granting organization receives the notice, correct the violation and report the correction to the state board.

319 (c)

(i) If a scholarship granting organization that receives a notice described in Subsection (4)(a) fails to correct a violation in the time period described in Subsection (4)(b), the state board may bar the scholarship granting organization from further participation in the program.

323 (ii) A scholarship granting organization may appeal a decision made by the state board under Subsection (4)(c)(i) in accordance with Title 63G, Chapter 4, Administrative Procedures Act.

326 (d) A scholarship granting organization may not accept program donations while the scholarship granting organization:

328 (i) is barred from participating in the program under Subsection (4)(c)(i); or

329 (ii) has an appeal pending under Subsection (4)(c)(ii).

330 (e) A scholarship granting organization that has an appeal pending under Subsection (4)(c)(ii) may continue to administer scholarships from previously donated program donations during the pending appeal.

333 (5) The state board shall provide for a process for a scholarship granting organization to report information as required under Section 53E-7-405.

335 (6) The state board shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to administer the program, including rules for:

337 (a) the administration of scholarships to a qualifying school or qualifying provider receiving scholarship money from a scholarship granting organization that is barred from participating in the program under Subsection (4)(c)(i);

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- 340 (b) when an eligible student does not continue in enrollment at a qualifying school or participation in
services provided by a qualifying provider:
- 342 (i) requiring the scholarship granting organization to:
- 343 (A) notify the state board; and
- 344 (B) obtain reimbursement of scholarship money from the qualifying school in which the eligible student
is no longer enrolled or qualifying provider in which the eligible student is no longer participating;
and
- 347 (ii) requiring the qualifying school or qualifying provider in which the eligible student is no longer
enrolled to reimburse scholarship money to the scholarship granting organization;
- 350 (c) audit and report requirements as described in Section 53E-7-405; and
- 351 (d) requiring the scholarship granting organization, in accordance with the Family Educational Rights
and Privacy Act, 20 U.S.C. Sec. 1232g, to submit to the state board:
- 354 (i) the number of scholarship students that are eligible students [~~described in Subsection 53E-7-401(2)~~
(a) ~~and the number of scholarship students that are eligible students described in Subsection~~
53E-7-401(2)(b)]from each school district;
- 358 (ii) standards used to determine whether a student is an eligible student; and
- 359 (iii) any other information requested by the Public Education Appropriations Subcommittee for the state
board to include in the annual report described in Section 53E-1-202.1.
- 347 Section 4. Section 53E-7-405 is amended to read:
- 348 **53E-7-405. Program donations -- Scholarship granting organization requirements --**
Legislative appropriations.
- 365 (1) A person that makes a donation to a scholarship granting organization to help fund scholarships
through the program may be eligible to receive a nonrefundable tax credit as described in Sections
59-7-625 and 59-10-1041.
- 368 (2) In accordance with Section 53E-7-404, an organization may enter into an agreement with the state
board to be a scholarship granting organization.
- 370 (3) A scholarship granting organization shall:
- 371 (a) accept program donations and allow a person that makes a program donation to designate a
qualifying school or qualifying provider to which the donation shall be directed for scholarships;
- 374 (b) adopt an application process in accordance with Subsection (5);
- 375 (c) review scholarship applications and determine scholarship awards;

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- 376 (d) allocate scholarship money to a scholarship student's parent or, on the parent's behalf, to a qualifying
school or qualifying provider in which the scholarship student is enrolled or participates;
- 379 (e) adopt a process, with state board approval, that allows a parent to use a scholarship to pay for a
nontuition scholarship expense for the scholarship student;
- 381 (f) ensure that during the state fiscal year:
 - 382 (i) at least 92% of the scholarship granting organization's revenue from program donations and other
funding sources are spent on scholarships;
 - 384 (ii) up to 5% of the scholarship granting organization's revenue from program donations and other
funding sources are spent on administration of the program;
 - 386 (iii) up to 3% of the scholarship granting organization's revenue from program donations and other
funding sources are spent on marketing and fundraising costs; and
 - 389 (iv) all revenue from interest or investments is spent on scholarships;
- 390 (g) carry forward no more than 60% of the scholarship granting organization's funds, less funds for a
scholarship that has been awarded, and funds expended for administration and marketing, from the
state fiscal year in which the scholarship granting organization received the funds to the following
state fiscal year;
- 394 (h) at the end of a state fiscal year, remit to the state treasurer donation amounts greater than the amount
described in Subsection (3)(g);
- 396 (i) prohibit a scholarship granting organization employee or officer from handling, managing, or
processing program donations or other funds, if, based on a criminal background check conducted
by the state board in accordance with Section 53E-7-404, the state board identifies the employee or
officer as posing a risk to the appropriate use of program donations or other funds;
- 401 (j) ensure that a scholarship can be transferred during the school year to a different qualifying school or
qualifying provider that accepts the scholarship student;
- 403 (k) report to the state board on or before November 1 of each year the following information, prepared
by a certified public accountant:
 - 405 (i) the name and address of the scholarship granting organization;
 - 406 (ii) the total number and total dollar amount of program donations and other funding sources that the
scholarship granting organization received during the previous calendar year;
 - 409 (iii)

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[(A)] the total number and total dollar amount of scholarships the scholarship granting organization awarded during the previous state fiscal year to eligible students~~[-described in Subsection 53E-7-401(2)(a)]~~; and

412 [(B) ~~the total number and total dollar amount of scholarships the scholarship granting organization awarded during the previous state fiscal year to eligible students described in Subsection 53E-7-401(2)(b); and~~

415 (iv) the percentage of first-time scholarship recipients who were enrolled in a public school during the previous school year or who entered kindergarten or a higher grade for the first time in ~~[Utah]~~ this state;

418 (l) issue tax credit certificates as described in Section 53E-7-407; ~~[and]~~

419 (m)

(i) require a parent to notify a scholarship granting organization if the parent's scholarship recipient:

421 (A) receives scholarship money for tuition expenses; and

422 (B) does not have continuing enrollment and attendance at a qualifying school; or

423 (ii) has transitioned to be a home-based student~~[-]~~ ;

424 (n) verify an applicants Utah residency through:

425 (i) the State Tax Commission as described in Section 53E-7-402; or

426 (ii) at least two forms of documentation, including a:

427 (A) current Utah drivers license;

428 (B) valid Utah voter registration card;

429 (C) utility bill dated within the last 60 days;

430 (D) current Utah vehicle registration; or

431 (E) Utah tax return from the previous year;

432 (o) ensure that combined expenses from extracurricular activities and physical education do not exceed 20% of the total scholarship amount;

434 (p) facilitate an appeals process for denied reimbursements;

435 (q) be prohibited from charging any processing fees to an eligible student or pass on third-party fees related to the use or management of scholarship funds; and

437 (r) conduct an annual independent audit and publicly disclose all third-party contracts and fees.

439 (4) The state treasurer shall deposit the money described in Subsection (3)(h) into the Income Tax Fund.

441 (5)

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(a) An application for a scholarship shall contain an acknowledgment by the applicant's parent that the qualifying school or qualifying provider selected by the parent for the applicant to attend or participate in using a scholarship is capable of providing the level of disability services required for the student.

(b) A scholarship application form shall contain the following statement:

"I acknowledge that:

(1) A private school may not provide the same level of disability services that are provided in a public school;

(2) I will assume full financial responsibility for the education of my scholarship recipient if I accept this scholarship;

(3) Acceptance of this scholarship has the same effect as a parental refusal to consent to services as described in 24 C.F.R. Sec. 300.300, issued under the Individuals with Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.; and

(4) My child may return to a public school at any time."

(c) Upon acceptance of a scholarship, the parent assumes full financial responsibility for the education of the scholarship recipient.

(d) Acceptance of a scholarship has the same effect as a parental refusal to consent to services as described in 24 C.F.R. Sec. 300.300, issued under the Individuals with Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.

(e) The creation of the program or granting of a scholarship does not:

(i) imply that a public school did not provide a free and appropriate public education for a student; or

(ii) constitute a waiver or admission by the state.

(6) A scholarship granting organization shall demonstrate the scholarship granting organization's financial accountability by annually submitting to the state board a financial information report that:

(a) complies with the uniform financial accounting standards described in Section 53E-7-404; and

(b) is prepared by a certified public accountant.

(7)

~~(a) [If a scholarship granting organization allocates \$500,000 or more in scholarships annually through the program, the]~~ The scholarship granting organization shall:

(i) contract for an annual audit, conducted by a certified public accountant who is independent from:

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- 474 (A) the scholarship granting organization; and
- 475 (B) the scholarship granting organization's accounts and records pertaining to program donations and
other funding sources; and
- 477 (ii) in accordance with Subsection (7)(b), report the results of the audit to the state board for review.
- 479 (b) For the report described in Subsection (7)(a)(ii), the scholarship granting organization shall:
- 481 (i) include the scholarship granting organization's financial statements in a format that meets generally
accepted accounting standards; and
- 483 (ii) submit the report to the state board no later than November 1.
- 484 (c) The certified public accountant shall conduct an audit described in Subsection (7)(a)(i) in
accordance with generally accepted auditing standards and rules made by the state board.
- 487 (d)
- (i) The state board shall review a report submitted under this section and may request that the
scholarship granting organization revise or supplement the report if the report is not in compliance
with the provisions of this Subsection (7) or rules adopted by the state board.
- 491 (ii) A scholarship granting organization shall provide a revised report or supplement to the report no
later than 45 days after the day on which the state board makes a request described in Subsection (7)
(d)(i).
- 494 (8)
- (a) A scholarship granting organization may not allocate scholarship money to a qualifying school or
qualifying provider if:
- 496 (i) the scholarship granting organization determines that the qualifying school or qualifying
provider intentionally or substantially misrepresented information on overpayment;
- 499 (ii) the qualifying school or qualifying provider fails to refund an overpayment in a timely manner;
or
- 501 (iii) the qualifying school or qualifying provider routinely fails to provide scholarship recipients
with promised educational goods or services.
- 503 (b) A scholarship granting organization shall notify a scholarship recipient if the scholarship granting
organization stops allocation of the recipient's scholarship money to a qualifying school or
qualifying provider under Subsection (8)(a).
- 506 (9) If a scholarship recipient transfers to another qualifying school or qualifying provider during the
school year, the scholarship granting organization may prorate scholarship money between the

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qualifying schools or qualifying providers according to the time the scholarship recipient spends at each school or each provider.

510 (10) A scholarship granting organization may not:

511 (a) award a scholarship to a relative of the scholarship granting organization's officer; or

512 (b) allocate scholarship money to a qualifying school or qualifying provider at which the scholarship recipient has a relative who is an officer or an administrator of the qualifying school or qualifying provider.

515 (11) The Legislature may appropriate funds to the board to be distributed in an equal amount to each scholarship granting organization for the same purposes program donations are used.

503 Section 5. Section **53E-7-407** is amended to read:

504 **53E-7-407. Tax credit certificates issued by a scholarship granting organization.**

521 (1) In accordance with this section, a scholarship granting organization shall provide a tax credit certificate, on a form provided by the State Tax Commission, to a person that makes a donation as described in Section 53E-7-405.

524 (2)

(a) The scholarship granting organization shall provide the information from a completed tax credit certificate to the State Tax Commission electronically and in a manner prescribed by the State Tax Commission on or before the end of each April following the close of the taxable year for which a tax credit certificate is issued.

528 (b) A scholarship granting organization shall issue a tax credit certificate within 30 days after the day on which a person makes a donation to the program.

530 (3)

(a) Before accepting a donation to the program from a person, the scholarship granting organization shall provide the person with notice:

532 (i) that the donation may not be eligible for a tax credit;

533 (ii) of the process described in Subsection (3)(b); and

534 (iii) of the total amount of tax credit certificates that the scholarship granting organization has issued for the calendar year.

536 (b) During a calendar year, a scholarship granting organization shall:

537 (i) issue tax credit certificates in the order that the scholarship granting organization received a corresponding donation; and

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- 539 (ii) track the total amount of program donations received during the year as corresponding tax credit
certificates are issued.
- 541 (c) If a scholarship granting organization accepts a donation that, when added to the current total
amount of program donations received that year, will exceed the program donations cap described in
Subsection (4), the scholarship granting organization shall issue a tax credit certificate in the amount
that is the difference between the program donations cap and the total amount of program donations
received before the donation was received.
- 547 (4)
- (a) The program donations cap for the 2021 calendar year is \$5,940,000.
- 548 (b) For a calendar year after 2021, the state board shall calculate the program donations cap as follows:
- 550 (i) if the total program donations for the previous calendar year exceed 90% of the cap amount for that
calendar year, the cap for the current calendar year is the cap amount for the previous calendar year
increased by 10% plus a percentage equal to the percentage of growth in the participation of the
program from the previous calendar year; or
- 555 (ii) if the total program donations for the previous calendar year did not exceed 90% of the cap amount
for that calendar year, the cap for the current calendar year is the same as the cap amount for the
previous calendar year.
- 558 (5) A person that receives a tax credit certificate in accordance with this section shall retain the
certificate for the same time period a person is required to keep books and records under Section
59-1-1406.
- 561 (6) Except as provided in Subsection (7), if a tax credit is issued under this Section for a donation, the
tax credit shall be issued for the taxable year in which the donation is made.
- 563 (7) Notwithstanding Subsection (6), if a tax credit is issued under this section for a donation, a tax credit
may be issued for the previous taxable year if:
- 565 (a) the {~~contribution~~} ~~donation~~ is made on or before the fifteenth day of April following the end of the
previous taxable year;
- 567 (b) the person receiving the tax credit certifies in writing that they will not claim a deduction or credit
on their federal income tax return for the donation amount to the extent that they claim a tax credit
under Section 59-7-625 or Section 59-10-1041 for the same donation; and
- 571 (c) the scholarship granting organization includes in the report described in Subsection (2), the date the
donation was made.

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- 573 (8) For purposes of calculating the donation cap described in Subsection (4), a tax credit amount shall
count against the donation cap for the year {in which} the tax credit {is issued} may be claimed.
- 560 Section 6. Section 53E-7-408 is amended to read:
- 561 **53E-7-408. Eligible private schools.**
- 577 (1) To be eligible [to enroll a scholarship student] to receive scholarship funds on behalf of a
scholarship student as an eligible school, a private school shall:
- 579 (a) have a physical location in [Utah] the state where the scholarship students attend classes and have
direct contact with the school's teachers;
- 581 (b)
- (i) contract with an independent licensed certified public accountant to conduct an Agreed Upon
Procedures engagement as adopted by the state board, or obtain an audit and report from a licensed
independent certified public accountant that conforms with the following requirements:
- 585 (A) the audit shall be performed in accordance with generally accepted auditing standards;
- 587 (B) the financial statements shall be presented in accordance with generally accepted accounting
principles; and
- (C) the audited financial statements shall be as of a period within the last 12 months; and
- 591 (ii) submit the audit report or report of the agreed upon procedure to the state board when the private
school applies to accept scholarship [students] funds;
- 593 (c) comply with the antidiscrimination provisions of 42 U.S.C. 2000d;
- 594 (d) meet state and local health and safety laws and codes;
- 595 (e) provide a written disclosure to the parent of each prospective student, before the student is enrolled,
of:
- 597 (i) the special education services that will be provided to the scholarship student, including the cost of
those services;
- 599 (ii) tuition costs;
- 600 (iii) additional fees a parent will be required to pay during the school year; and
- 601 (iv) the skill or grade level of the curriculum in which the prospective student will participate;
- 603 (f)
- (i) administer an annual assessment of each scholarship student's academic progress; and
- 605 (ii) report the results of the assessment described in Subsection (1)(f)(i) to the scholarship student's
parent;

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- 607 (g) employ or contract with teachers who:
608 (i) hold baccalaureate or higher degrees;
609 (ii) have at least three years of teaching experience in public or private schools; or
610 (iii) have the necessary skills, knowledge, or expertise that qualifies the teacher to provide instruction:
612 (A) in the subject or subjects taught; and
613 (B) to the special needs students taught;
614 (h) maintain documentation demonstrating that teachers at the private school meet the qualifications described in Subsection (1)(g);
616 (i) require the following individuals to submit to a nationwide, fingerprint-based criminal background check and ongoing monitoring, in accordance with Section 53G-11-402, as a condition for employment or appointment, as authorized by the Adam Walsh Child Protection and Safety Act of 2006, Pub. L. No. 109-248:
620 (i) an employee who does not hold a current Utah educator license issued by the state board under Chapter 6, Education Professional Licensure;
622 (ii) a contract employee; and
623 (iii) a volunteer who is given significant unsupervised access to a student in connection with the volunteer's assignment; and
625 (j) provide to the parent of a scholarship student the relevant credentials of the teachers who will be teaching the scholarship student.
627 (2) A private school described in Subsection (1) is not eligible to ~~enroll~~ receive scholarship ~~[students]~~ funds if:
629 (a) the private school requires a student to sign a contract waiving the student's rights to transfer to another qualifying school during the school year;
631 (b) the audit report submitted under Subsection (1)(b) contains a going concern explanatory paragraph;
633 (c) the report of the agreed upon procedures submitted under Subsection (1)(b) shows that the private school does not have adequate working capital to maintain operations for the first full year, as determined under Subsection (1)(b); or
636 (d) the private school charges a scholarship student more in tuition or fees than another student based solely upon the scholarship student being a scholarship recipient under this part.
639 (3) Residential treatment facilities licensed by the state are not eligible to enroll scholarship students.
641 (4) A private school intending to enroll scholarship students and receive scholarship funds shall:

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- 643 (a) submit an application to the state board.
- 644 (b) agree to not refund, rebate, or share scholarship funds with a scholarship student or scholarship student's parent in any manner except for remittances or refunds processed through the scholarship granting organization to a scholarship account in accordance with this part and procedures that the scholarship granting organization establishes.
- 649 (5) The state board shall:
- 650 (a) approve a private school's application to enroll scholarship students, if the private school meets the eligibility requirements of this section; and
- 652 (b) publish on the state board's website, a list of private schools approved under this section.
- 654 (6) A private school approved under this section that changes ownership shall cease operation as an eligible school until the private school:
- 656 (a) submit a new application to the state board; and
- 657 (b) ~~[demonstrate]~~ demonstrates that the private school continues to meet the eligibility requirements of this section.
- 644 Section 7. Section **53E-7-408.5** is amended to read:
- 645 **53E-7-408.5. Eligible service provider.**
- 661 (1) To be an eligible service provider, a private program or service:
- 662 (a) shall provide to the scholarship granting organization:
- 663 (i) a federal employer identification number;
- 664 (ii) the provider's address and contact information;
- 665 (iii) a description of each program or service the provider proposes to offer directly to a scholarship student; and
- 667 (iv) subject to Subsection (2), any other information as required by the scholarship granting organization;
- 669 (b) shall comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d; and
- 670 (c) may not act as a consultant, clearing house, or intermediary that connects a scholarship student with or otherwise facilitates the student's engagement with a program or service that another entity provides.
- 673 (2) The scholarship granting organization shall adopt policies that maximize the number of eligible service providers, including accepting new providers throughout the school year, while ensuring

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education programs or services provided through the program meet student needs and otherwise comply with this part.

(3) A private program or service intending to receive scholarship funds shall:

(a) submit an application to the scholarship granting organization; ~~and~~

(b) complete all required orientation programs established by the scholarship granting organization before receiving any scholarship funds and maintain a current orientation status throughout participation in the program; and

~~[(b)]~~ (c) agree to not refund, rebate, or share scholarship funds with scholarship students or scholarship students' parents in any manner except remittances or refunds to a scholarship account in accordance with this part and procedures that the program manager establishes.

(4) The scholarship granting organization shall:

(a) if the private program or service meets the eligibility requirements of this section, recognize the private program or service as an eligible service provider and approve a private program or service's application to receive scholarship funds on behalf of a scholarship student; and

(b) make available to the public a list of eligible service providers approved under this section.

(5) A private program or service approved under this section that changes ownership shall:

(a) cease operation as an eligible service provider until:

(i) the program or service submits a new application to the scholarship granting organization; and

(ii) the scholarship granting organization approves the new application; and

(b) demonstrate that the private program or service continues to meet the eligibility requirements of this section.

(6) The following are not eligible service providers:

(a) a parent of a home-based scholarship student or a home school student solely in relation to the parent's child; or

(b) any other individual that does not meet the requirements described in this section.

(7) Nothing prohibits an entity that provides education services under the Statewide Online Education Program described in Title 53F, Chapter 4, Part 5, Statewide Online Education Program, from operating as an eligible service provider under this part to provide education services to scholarship students.

~~{Section 8. Section 53F-6-401 is amended to read:-}~~

53F-6-401. Definitions.

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As used in this part:

- 711 (1) "Contract administrator" means the state board's appointed Deputy Superintendent of Operations
that ensures the program manager or financial administrator meets contractual obligations.
- 714 (2) "Contract oversight and compliance" means the oversight and coordination functions performed by
the Department of Operations contract administrator, including:
- 716 (a) establishing and maintaining program standards within a contract with a program manager or
financial administrator;
- 718 (b) determining operational requirements and structures;
- 719 (c) procuring and managing contracts for program services and standards;
- 720 (d) ensuring program integrity through direct or contracted oversight;
- 721 (e) coordinating program functions and contracted services with a program manager or financial
administrator; and
- 723 (f) maintaining appropriate separation between government oversight and independent program
operations.
- 725 (3) "Contracted entity" means:
- 726 (a) an organization that:
- 727 (i) contracts with the state board under Section 53F-6-404 to perform duties and functions necessary for
program administration and operations;
- 729 (ii) is not affiliated with any international organization;
- 730 (iii) does not harvest data for the purpose of reproducing or distributing the data to other entities;
- 732 (iv) is not involved in guiding or directing any curriculum or curriculum standards; and
- 734 (v) performs the specific duties and functions assigned in the contract with the state board.
- 736 (b) "Contracted entity" includes:
- 737 (i) the program manager, unless the program manager is the Department of Operations for any duration
of time;
- 739 (ii) the financial administrator; and
- 740 (iii) any other entity contracted to perform program functions under Section 53F-6-404.
- 742 (c) "Contracted entity" does not include:
- 743 (i) a qualifying provider;
- 744 (ii) an eligible school; or
- 745 (iii) an eligible service provider.

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- 746 (4)
- (a) "Contracted entity employee" means an individual working for an entity contracted under Section 53F-6-404 in a position in which the individual's salary, wages, pay, or compensation, including as a contractor, is paid from scholarship funds.
- 750 (b) "Contracted entity employee" does not include:
- 751 (i) an individual who volunteers for a contracted entity or for a qualifying provider;
- 752 (ii) an individual who works for a qualifying provider; or
- 753 (iii) a qualifying provider.
- 754 (5) "Contracted entity officer" means:
- 755 (a) a member of the board of a contracted entity; or
- 756 (b) the chief administrative officer of a contracted entity.
- 757 (6) "Department of Operations" means the section of the state board that oversees financial operations, procurement operations, data and statistics operations, school land trust, and information technology operations for the state board.
- 760 (7)
- (a) "Educational supplements" means:
- 761 (i) materials, tools, and equipment that:
- 762 (A) are directly related to and necessary for subjects aligned with the core standards the state board establishes pursuant to Section 53E-4-202;
- 764 (B) are used for specific learning objectives or competencies;
- 765 (C) support structured learning activities or lessons; and
- 766 (D) are consumable or non-reusable in nature;
- 767 (ii) supplemental learning materials that:
- 768 (A) directly support or enhance the delivery of instruction in core academic subjects;
- 770 (B) are tied to specific educational goals or outcomes; and
- 771 (C) are not primarily for entertainment or general enrichment purposes;
- 772 (iii) arts and music education materials that:
- 773 (A) align with state core standards; and
- 774 (B) are used in structured arts or music instruction; and
- 775 (iv) other educational materials that the program manager determines are:
- 776 (A) necessary for meeting specific learning objectives;

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777 (B) appropriate for the student's age or grade level; and
778 (C) primarily educational rather than recreational in nature.
779 (b) "Educational supplements" does not include:
780 (i) entertainment materials;
781 (ii) recreational equipment;
782 (iii) food or nutritional items;
783 (iv) furniture or household items;
784 (v) general office supplies not specific to an educational activity; or
785 (vi) other items that do not have a clear, direct educational purpose aligned with academic instruction.
787 (8) "Eligible student" means a student:
788 (a) who is eligible to participate in public school, in kindergarten, or grades 1 through 12;
789 (b) who has not reached 19 years old before September 1 of the school year;
790 ~~[(b)]~~ (c) who is a primary resident of the state, including a child of a military service member, as that
term is defined in Section 53H-11-202;
792 ~~[(e)]~~ (d) who, during the school year for which the student is applying for a scholarship account:
794 (i) does not receive a scholarship under:
795 (A) the Carson Smith Scholarship Program established in Section 53F-4-302; or
796 (B) the Carson Smith Opportunity Scholarship Program established in Section 53E-7-402; and
798 (ii) before receiving the scholarship is not enrolled in:
799 (A) an LEA; or
800 (B) the Statewide Online Education Program to participate in a course with funding provided under
Chapter 4, Part 5, Statewide Online Education Program, which does not include participation in a
course by an entity as described in Subsection 53F-6-409(7);
804 ~~[(d)]~~ (e) whose eligibility is not suspended or disqualified under Section 53F-6-401;
805 ~~[(e)]~~ (f) who completes, to maintain eligibility, the portfolio requirement described in Subsection
53F-6-402(3)(d);
807 ~~[(f)]~~ (g) who provides verification of primary residence in Utah, including a parent's utility bill,
mortgage statement, lease agreement, or property tax records from the current calendar year in
which the eligible student is renewing, reapplying, or applying for the scholarship for the first time;
and

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~~[(g)]~~ (h) for out-of-state military families, who attests that the student is not enrolled in a public school elsewhere while receiving the scholarship.

(9) "Federal poverty level" means the United States poverty level as defined by the most recently revised poverty income guidelines published by the United States Department of Health and Human Services in the Federal Register.

(10)

(a) "Financial administrator" means an organization that:

(i) is not affiliated with any international organization;

(ii) does not harvest data for the purpose of reproducing or distributing the data to other entities;

(iii) is not involved in guiding or directing any curriculum or curriculum standards; and

(iv) contracts with the state board to administer scholarship payments in accordance with this part.

(b) "Financial administrator" may include an organization that serves as both program manager and financial administrator if the organization maintains appropriate separation of duties and meets all qualifications for both roles.

(11)

(a) "Home-based scholarship student" means a student who:

(i) is eligible to participate in public school, in kindergarten or grades 1 through 12;

(ii) attests to being exited from enrollment in a public school to attend a home-based learning environment if the student was enrolled at any time in a public school; and

(iii) receives a benefit of scholarship funds.

(b) "Home-based scholarship student" does not mean a home-based student who does not receive a scholarship under the program.

(12) "Household income" means:

(a) the combined gross income of all parents residing in the same household as the eligible student;

(b) the gross income of a single parent who claims the student as a dependent; or

(c) the gross income of a parent who claims the student as a dependent under the terms of a joint custody agreement.

(13) "Parent" means:

(a) the same as that term is defined in Section 53E-1-102; and

(b) a foster parent who has initiated a process to adopt the foster child.

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(14) "Primary residence" means the one location where an individual resides for the majority of the year.

(15)

(a) "Private school" means a full-time, tuition-bearing educational institution where the student receives the majority of the student's academic instruction.

(b) "Private school" does not include an entity that distributes, rebates, or passes through to families any portion of enrollment-based funding received by an LEA.

(16)

(a) "Program manager" means a contracted entity or entities that:

(i) perform program operational functions outlined in the procurement agreement described in Section 53F-6-404, including:

(A) processing scholarship applications and eligibility determinations;

(B) maintaining scholarship account records;

(C) coordinating with qualifying providers and the financial administrator; and

(D) providing customer service to program participants;

(ii) in accordance with required program administration, implement established program standards and procedures; and

(iii) perform other operational duties as specified in the contract.

(b) "Program manager" may include an organization that serves as both program manager and financial administrator if the organization maintains appropriate separation of duties and meets all qualifications for both roles.

(17)

(a) "Qualifying provider" means one of the following entities:

(i) an eligible school that the program manager approves in accordance with Section 53F-6-408; or

(ii) an eligible service provider that the program manager approves in accordance with Section 53F-6-409.

(b) "Qualifying provider" does not include:

(i) a parent of a home-based scholarship student solely in relation to the parent's child; or

(ii) any other individual that does not meet the requirements described in Subsection (17)(a).

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(18) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother, uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law.

(19) "Scholarship account" means the account to which a program manager allocates funds for the payment of approved scholarship expenses in accordance with this part.

(20)

(a) "Scholarship expense" means an expense described in Section 53F-6-402 that a parent or scholarship student incurs in the education of the scholarship student for a service or goods that a qualifying provider provides, including:

(i) tuition and fees of a qualifying provider;

(ii) fees and instructional materials at a technical college;

(iii) tutoring services;

(iv) fees for after-school or summer education programs;

(v) textbooks, curricula, or other instructional materials, including any supplemental materials or associated online instruction that a curriculum or a qualifying provider recommends;

(vi) educational software and applications;

(vii) supplies or other equipment related to a scholarship student's educational needs;

(viii) computer hardware or other technological devices that are intended primarily for a scholarship student's educational needs, not to exceed once every three years for a scholarship student;

(ix) fees for the following examinations, or for a preparation course for the following examinations, that the program manager approves:

(A) a national norm-referenced or standardized assessment described in Section 53F-6-410, an advanced placement examination, or another similar assessment;

(B) a state-recognized industry certification examination; and

(C) an examination related to college or university admission;

(x) educational services for students with disabilities from a licensed or accredited practitioner or provider, including occupational, behavioral, physical, audiology, or speech-language therapies;

(xi) contracted services that the program manager approves and that an LEA provider offers, including individual classes, after-school tutoring services, transportation, or fees or costs associated with participation in extracurricular activities;

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(xii) ride fees or fares for a fee-for-service transportation provider to transport the scholarship student to and from a qualifying provider, not to exceed \$750 in a given school year;

(xiii) in accordance with Subsection (20)(c), expenses related to extracurricular activities, field trips, educational supplements, physical education experiences, and other educational experiences;

(xiv) coursework or an educational supplement for arts and music that aligns with state core standards;

(xv) a musical instrument rental, excluding purchase; or

(xvi) any other expense for a good or service that:

(A) a parent or scholarship student incurs in the education of the scholarship student; and

(B) the program manager approves.

(b) "Scholarship expense" does not include:

(i) chaperone expenses, except that a family with one or more scholarship students receiving the scholarship under Subsection 53F-6-402(2)(c) may use scholarship funds for one chaperone expense or pass per family, regardless of how many scholarship students are in the family or household;

(ii) season tickets or subscriptions to entertainment venues;

(iii) ski passes or lift tickets;

(iv) access to recreational facilities unless for physical education of the student;

(v) playground equipment;

(vi) the purchase of any type of:

(A) furniture; or

(B) a musical instrument;

(vii) apparel; and

(viii) other non-educational expenses as the program manager determines.

(c)

(i) A scholarship expense for extracurricular activities may not exceed 20% of the total scholarship amount.

(ii) A scholarship expense for physical education requirements may not exceed an additional 20% of the total scholarship amount from the amount described in Subsection (20)(c)(i).

(iii) A scholarship expense for arts and music described in Subsection (20)(a)(xiv) is not an extracurricular activity.

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- 939 (21) "Scholarship funds" means:
- 940 (a) funds that the Legislature appropriates for the program; and
- 941 (b) interest that scholarship funds accrue.
- 942 (22)
- (a) "Scholarship student" means an eligible student, including a home-based scholarship student, for whom the program manager establishes and maintains a scholarship account in accordance with this part.
- 945 (b) "Scholarship student" does not include a home-based student who does not receive a scholarship award under the program.
- 947 (23) "Utah Fits All Scholarship Program" or "program" means the scholarship program established in Section 53F-6-402.
- 949 {Section 9. Section 53F-6-402 is amended to read: }
- 950 **53F-6-402. Utah Fits All Scholarship Program -- Scholarship account application --**
- Scholarship expenses -- Program information.**
- 952 (1) Subject to Section 53F-6-415.5, there is established the Utah Fits All Scholarship Program under which a parent may apply to establish and maintain a scholarship account to cover the cost of a scholarship expense.
- 955 (2)
- (a) In accordance with this part and required program administration, the program manager shall establish and maintain scholarship accounts for eligible students.
- 957 (b) The program manager shall:
- 958 (i) determine that a student meets the requirements to be an eligible student; and
- 959 (ii) subject to Subsection (2)(c), each year the student is an eligible student, coordinate with the financial administrator to maintain a scholarship account for the scholarship student to pay for the cost of one or more scholarship expenses that the student or student's parent incurs in the student's education.
- 963 (c) Each year, subject to this part and legislative appropriations, a scholarship student is eligible for no more than:
- 965 (i) for a private school student, \$8,000;
- 966 (ii) for a home-based scholarship student age 5-11 as of September 1 of the scholarship year, \$4,000; and

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- 968 (iii) for a home-based scholarship student age 12-18 as of September 1 of the scholarship year, \$6,000.
- 970 (d) Unless otherwise authorized under Section 53F-6-411, scholarship funds to eligible scholarship students shall be distributed to the program manager and through the financial administrator in two equal payments:
- 973 (i) the first payment no later than July 31 of the scholarship year; and
- 974 (ii) the second payment no later than December 31 of the scholarship year.
- 975 (e) When a scholarship student exits the program during the school year:
- 976 (i) the program manager or the financial administrator shall:
- 977 (A) remove any remaining funds from the exited student's scholarship account; and
- 978 (B) make those funds available for new scholarship awards within the same year; and
- 980 (ii) any new scholarship award made during the same year and using funds from an exited student's account shall be prorated as follows:
- 982 (A) if awarded during the second quarter of the school year, no more than 75% of the annual scholarship amount is allocated;
- 984 (B) if awarded during the third quarter of the school year, no more than 50% of the annual scholarship amount is allocated; and
- 986 (C) no new scholarship awards shall be made during the fourth quarter of the school year.
- 988 (3)
- (a) In accordance with required program administration, a program manager shall direct the financial administrator to establish a scholarship account on behalf of an eligible student who submits a timely application, unless the number of applications exceeds available scholarship funds for the school year.
- 992 (b) If the number of applications exceeds the available scholarship funds for a school year, the program manager shall select students on a random basis, except as provided in Subsection (6), and as long as the student meets the eligibility criteria.
- 995 (c) An eligible student or a public education student shall submit an application for an initial scholarship or renewal for each school year that the student intends to receive scholarship funds.
- 998 (d)
- (i) To maintain eligibility for the following school year, a scholarship student or the scholarship student's parent shall:

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- (A) complete and deliver to the program manager a portfolio describing the scholarship student's educational opportunities and achievements under the program for the given year; or
- 1003 (B) submit results from an assessment as described in Section 53F-6-410.
- 1004 (ii) The portfolio or assessment described in Subsection (3)(d)(i) must be submitted:
- 1005 (A) no later than May 31; or
- 1006 (B) in accordance with the assessment schedule submitted to and approved by the program manager.
- 1008 (iii) The receipt of the portfolio or assessment results by the program manager is a condition of scholarship award for the following school year.
- 1010 (iv) The program manager may not disclose the content of a given scholarship student's portfolio except to the scholarship student's parent, unless the parent provides written consent for the portfolio to be used as a sample or example, in which case all personally identifiable information must be removed prior to such use.
- 1015 (4)
- (a) An application for a scholarship account shall contain an acknowledgment by the student's parent that the qualifying provider selected by the parent for the student's enrollment or engagement can provide education services for the student.
- 1018 (b) A scholarship account application form shall contain the following statement:
- 1019 "I acknowledge that:
- 1020 1: A qualifying provider may not provide the same level of disability services that are provided in a public school;
- 1022 2: I will assume full financial responsibility for the education of my scholarship recipient if I agree to this scholarship account;
- 1024 3: Agreeing to establish this scholarship account has the same effect as a parental refusal to consent to services as described in 34 C.F.R. Sec. 300.300, issued under the Individuals with Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.; and
- 1027 4: My child may return to a public school at any time, and I will notify the program manager within five business days if my child returns to a public school that is not a qualifying provider or if we have elected to take courses from the public portion of a qualifying provider."
- 1031 (c) Upon agreeing to establish a scholarship account, the parent assumes full financial responsibility for the education of the scholarship student, including the balance of any expense incurred at

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a qualifying provider or for goods that are not paid for by the scholarship student's scholarship account.

- 1035 (d) Agreeing to establish a scholarship account has the same effect as a parental refusal to consent
to services as described in 34 C.F.R. Sec. 300.300, issued under the Individuals with Disabilities
Education Act, 20 U.S.C. Sec. 1400 et seq.
- 1038 (e) The creation of the program or establishment of a scholarship account on behalf of a student does
not:
- 1040 (i) imply that a public school did not provide a free and appropriate public education for a student; or
1042 (ii) constitute a waiver or admission by the state.
- 1043 (5) A program manager or financial administrator may not charge a scholarship account application fee.
1045 (6)
- (a) A program manager shall give an enrollment preference based on the following order of preference:
- 1047 (i) to an eligible student who used a scholarship account in the previous school year and has
submitted the required accountability measure;
- 1049 (ii) to an eligible student who is a sibling of an eligible student who:
- 1050 (A) uses a scholarship account at the time the sibling applies for a scholarship account; or
1052 (B) used a scholarship account in the school year immediately preceding the school year for which the
sibling is applying for a scholarship account;
- 1054 [(ii)] (iii) to an eligible student:
- 1055 (A) who did not use a scholarship account in the previous school year; ~~and~~
- 1056 (B) with a family income at or below 300% of the federal poverty level; and
- 1057 (C) was part of a household that received a partial scholarship award under Subsection 53F-6-402(14)
(c) and the sibling was not among the children who received a scholarship in that partial award; and
- 1060 [(iii) to an eligible student who is a sibling of an eligible student who:]
- 1061 [(A) uses a scholarship account at the time the sibling applies for a scholarship account; or]
- 1063 [(B) used a scholarship account in the school year immediately preceding the school year for which the
sibling is applying for a scholarship account; and]
- 1065 (iv) for any remaining scholarships, to an eligible student on a lottery basis.
- 1066 (b) If the number of eligible students within any preference tier described in Subsection (6)(a) exceeds
available scholarship funds the program manager shall grant awards on a lottery basis.
- 1069 (c)

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- (i) For income verification purposes, a parent of a scholarship student shall:
- 1070 (A) provide written consent authorizing the State Tax Commission to disclose the parent's state
individual income tax return information to the program manager; and
- 1073 (B) submit the consent in a form prescribed by the State Tax Commission.
- 1074 (ii) Upon receiving the consent described in Subsection (6)(c)(i), the State Tax Commission shall
provide state individual income tax information to the program manager for income verification
purposes regarding the parent within 10 business days.
- 1078 (d) For income verification purposes:
- 1079 (i) the program manager shall require documentation of household income, not individual income;
- 1081 (ii) if the individual income tax is a business income filing, require:
- 1082 (A) the most recently filed business tax returns;
- 1083 (B) year-to-date profit and loss statements; and
- 1084 (C) documentation of the owner's draw or distributions; and
- 1085 (iii) for households awaiting completion of tax filings for the year immediately preceding the current
year, the program manager shall accept the following documentation for conditional approval and
only until such a time as the current tax year returns, year-to-date profit and loss statements, or
documentation of owner's draw or distributions are provided for the current tax year:
- 1090 (A) the most recent W-2s;
- 1091 (B) a current pay stub showing year-to-date earnings; and
- 1092 (C) an employer verification letter.
- 1093 (7)
- (a) Subject to Subsections (7)(b) through (e), a parent may use a scholarship account to pay for a
scholarship expense from a qualifying provider that a parent or scholarship student incurs in the
education of the scholarship student.
- 1096 (b) A scholarship student or the scholarship student's parent may not use a scholarship account for
an expense that the student or parent does not incur in the education of the scholarship student,
including:
- 1099 (i) a rehabilitation program that is not primarily designed for an educational purpose; or
- 1101 (ii) a travel expense other than a transportation expense described in Section 53F-6-401.
- 1103 (c) The program manager or financial administrator may not:
- 1104

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- (i) approve a scholarship expense for a service that a qualifying provider provides unless the program manager determines that the scholarship student or the scholarship student's parent incurred the scholarship expense in the education of the scholarship student; or
- 1108 (ii) reimburse an expense for a service or good that a provider that is not a qualifying provider provides unless:
- 1110 (A) the parent or scholarship student submits a receipt that shows the cost and type of service or good and the name of provider;
- 1112 (B) the expense would have qualified as a scholarship expense if a qualifying provider provided the good or service;
- 1114 (C) the provider of the good or service is not the parent of the student who is a home-based scholarship student solely in relation to the parent's child;
- 1116 (D) the program manager determines that the parent or scholarship student incurred the expense in the education of the scholarship student; and
- 1118 (E) the program manager or financial administrator determines that the parent or scholarship student incurred the expense when the student was not enrolled in a public school[.] .
- 1121 (d) The parent of a scholarship student may not receive scholarship funds as payment for the parent's time spent educating the parent's child.
- 1123 (e) Except for cases in which a scholarship student or the scholarship student's parent is convicted of fraud in relation to scholarship funds, if a qualifying provider, scholarship student, or scholarship student's parent repays an expenditure from a scholarship account for an expense that is not approved under this Subsection (7), the program manager shall credit the repaid amount back to the scholarship account balance within 30 days after the day on which the program manager receives the repayment.
- 1130 (8) Beginning the 2026-2027 school year, for private schools that meet the definition in Section 53F-6-401 but choose not to become approved eligible schools under Section 53F-6-408, parents may seek up to monthly tuition reimbursement through the scholarship account reimbursement process for tuition expenses.
- 1134 [(8)] (9) Notwithstanding any other provision of law, funds that the program manager or financial administrator disburses from the Utah Fits All Scholarship Program Restricted Account created in Section 53F-6-411 under this part to a scholarship account on behalf of a scholarship student do not constitute state taxable income to the parent of the scholarship student.

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- 1139 ~~[(9)]~~ (10) The program manager shall prepare and disseminate information on the program to a parent
applying for a scholarship account on behalf of a student, including the information that the program
manager provides in accordance with Section 53F-6-405.
- 1142 ~~[(10)]~~ (11) As frequently as necessary to maintain the information, the state board shall provide
information on the state board's website, including:
- 1144 (a) scholarship account information;
- 1145 (b) information on the program manager or financial administrator, including the program manager's or
financial administrator's contact information; and
- 1147 (c) an overview of the program.
- 1148 ~~[(11)]~~ (12) In accordance with required program administration, the program manager shall:
- 1149 (a) in alignment with deadlines specified in Subsection 53F-6-405(1)(c), establish and communicate
to an eligible student a deadline by which the eligible student must accept or deny the scholarship
offer; and
- 1152 (b) communicate to an eligible student that failure to respond by the deadline described in Subsection
~~[(11)(a)]~~ (12)(a) shall result in forfeiture of the scholarship offer.
- 1154 ~~[(12)]~~ (13) In accordance with Subsection 53F-6-403(7), the program manager shall:
- 1155 (a) verify student eligibility status before removing any student from scholarship eligibility;
- 1157 (b) establish protocols for reviewing disputed eligibility determinations;
- 1158 (c) implement a process for immediate reinstatement of eligibility when errors are identified;
- 1160 (d) maintain detailed records of all eligibility removals and reinstatements; and
- 1161 (e) provide regular reports to the state board regarding eligibility status changes of a scholarship
student.
- 1163 (14) When multiple children from the same household apply for scholarships, the program manager
shall:
- 1165 (a) process applications from the same household together;
- 1166 (b) approve or deny all children in the household as a unit based on the household's priority tier; and
- 1168 (c) if insufficient scholarship funds remain to award scholarships to all children in a household applying
as a unit:
- 1170 (i) notify the household of the number of scholarships available;
- 1171 (ii) allow the household to choose to:
- 1172

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- (A) accept scholarships for the number of children for which funds are available, with the household determining which children receive scholarships; or
- 1174 (B) decline the partial award and remain on the waitlist for a future opportunity when sufficient funds become available to serve all children in the household;
- 1176 (iii) provide the household at least five business days to make the decision described in Subsection (14)(c)(ii);
- 1178 (iv) process the household's decision in accordance with the deadlines established in Subsection 53F-6-402(12); and
- 1180 (v) if the household accepts a partial award, place any remaining children from the household on the waitlist in accordance with the children's original priority tier.
- 1182 (15) Beginning the 2026-2027 school year:
- 1183 (a) a parent may pay tuition directly to a private school that meets the definition in Section 53F-6-401 but has not been approved as an eligible school under Section 53F-6-408;
- 1186 (b) the parent may seek monthly reimbursement from the scholarship account for tuition paid to such a school by submitting:
- 1188 (i) a receipt or invoice from the private school showing the amount paid, student name, and services provided;
- 1190 (ii) evidence that the school meets the definition of a private school in Section 53F-6-401;
- 1192 (iii) proof of the student's enrollment in the private school, which may include the following:
- 1194 (A) an enrollment agreement or contract;
- 1195 (B) an acceptance letter from the school;
- 1196 (C) written verification from the school on school letterhead or via school email;
- 1197 (D) a receipt or invoice showing the student's name and tuition charges; or
- 1198 (E) a copy of the record demonstrating participation as determined by the school; and
- 1200 (iv) for monthly reimbursement requests after the initial reimbursement, proof of the student's continued enrollment in the private school, which may include documentation of tuition payments for the current period.
- 1203 (c) The program manager shall process reimbursement requests under this subsection within 10 business days of receiving complete documentation.
- 1205 (d) Reimbursements under this subsection are subject to the annual scholarship limits in Subsection (2)(c).

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- 1207 (e) A private school receiving tuition payments under this subsection is not required to:
1208 (i) submit an application to become an eligible school;
1209 (ii) meet the requirements of Section 53F-6-408; or
1210 (iii) enter into any agreement with the program manager or financial administrator.
- 1211 ~~{Section 10. Section 53F-6-405 is amended to read: }~~
- 1212 **53F-6-405. Program manager duties -- Audit -- Prohibitions.**
- 1213 (1) The program manager shall:
1214 (a) administer the program, including:
1215 (i) maintaining an application website that includes information on enrollment, relevant application
1217 dates, and dates for notification of acceptance;
1218 (ii) reviewing applications from and determining if a person is:
1219 (A) an eligible school under Section 53F-6-408; or
1220 (B) an eligible service provider under Section 53F-6-409;
1221 (iii) establishing an application process that:
1222 (A) opens March 1 of each year for existing scholarship students;
1223 (B) opens April 1 of each year for new scholarship students;
1224 (C) closes May 1 of each year;
1226 (D) aligns with the acceptance deadline established under Subsection 53F-6-402(11) that shall be prior
1227 to July 1 of each year; and
1228 (E) provides an eligible student with a decision regarding the eligible student's application within 30
1229 days of the application deadline specified in this Subsection (1)(a);
1230 (iv) reviewing and granting or denying applications for a scholarship account;
1231 (v) determining the eligibility of scholarship expenses, including establishing necessary policies and
1232 procedures;
1233 (vi) approving qualifying providers in accordance with Section 53F-6-403;~~[and]~~
1234 (vii) maintaining a list of approved qualifying providers; and
1235 (viii) coordinating with the Department of Operations on policy interpretations, compliance issues, and
1236 customer service standards;
1237 (b) direct the financial administrator to:
1238 (i) provide an online portal for the parent of a scholarship student to access the scholarship student's
1239 account;

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- 1239 (ii) facilitate payments to a qualifying provider from the online portal;
- 1240 (iii) ensure that scholarship funds in a scholarship account are readily available to a scholarship student within five business days after receipt of funds from the state board;
- 1243 (iv) process scholarship payments in accordance with the payment schedule established in Section 53F-6-411, unless otherwise authorized;
- 1245 (v) in accordance with program administration when needed, develop and implement a commercially viable, cost-effective, and parent-friendly system that:
 - 1247 (A) processes scholarship payments;
 - 1248 (B) maximizes payment flexibility;
 - 1249 (C) allows scholarship students and scholarship student's parents to publicly rate, review, and share information about qualifying providers; and
 - 1251 (D) provides the program manager with continuous, real-time, view-only access to all scholarship account transactions and balances, payment processing status, provider payment history, reimbursement tracking, and account reconciliation data;
- 1255 (vi) upon receiving notification under Subsection (1)(c):
 - 1256 (A) obtain reimbursement of scholarship funds from a qualifying provider that provides the services in which a scholarship student is no longer enrolled or with which the scholarship student is no longer engaged; and
 - 1259 (B) expend all revenue from interest on scholarship funds or investments on scholarship expenses; and
 - 1261 (vii) implement accounting procedures to track partial payments and remaining balances;
- 1263 (c) require a parent to notify the program manager if the parent's scholarship student is no longer enrolled in or engaging a service:
 - 1265 (i) for which the scholarship student receives scholarship funds; and
 - 1266 (ii) that is provided to the scholarship student for an entire school year;
- 1267 (d) each time the program manager makes an administrative decision that is adverse to a scholarship student or the scholarship student's parent, inform the scholarship student and the scholarship student's parent of the opportunity and process to appeal an administrative decision of the program manager in accordance with the process described in Section 53F-6-417;
- 1272 (e) maintain a protected internal waitlist of all eligible students who have applied to the program and are not yet scholarship students, including any student who removed the student's application from the waitlist;

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- 1275 (f) provide aggregate data regarding the number of scholarship students and the number of eligible
students on the waitlist described in Subsection (1)(e);
- 1277 (g) contract for annual and random audits on scholarship accounts conducted:
- 1278 (i) by a certified public accountant who is independent from:
- 1279 (A) the program manager; and
- 1280 (B) the financial administrator's accounts and records pertaining to scholarship funds; and
- 1282 (ii) in accordance with generally accepted auditing standards;
- 1283 (h) require the financial administrator to demonstrate financial accountability through annual reporting
requirements described in Section 53F-6-405.5;
- 1285 (i) develop and implement an annual orientation for qualifying providers;
- 1286 (j) administer the appeals process described in Section 53F-6-417;
- 1287 (k) in accordance with Subsection 53F-6-411(4), manage scholarship rollovers;
- 1288 (l) track and ensure compliance of allowed scholarship expenses;~~and~~
- 1289 (m) comply with enhanced accountability measures, including independent audits and public disclosure
of third-party contracts and fees related to the administration of the program~~;~~ and
- 1292 (n) process parent reimbursement requests within 10 business days after the program manager approves
the expense and direct the financial administrator to process approved reimbursements within this
time frame.
- 1295 (2) The program manager shall:
- 1296 (a) require the financial administrator to submit monthly financial reports including:
- 1297 (i) a statement of financial position;
- 1298 (ii) a statement of activities;
- 1299 (iii) account reconciliation statements;
- 1300 (iv) detailed transaction reports; and
- 1301 (v) exception reports highlighting any unusual activity; and
- 1302 (b) oversee the financial administrator's compliance with requirements regarding:
- 1303 (i) except for a reimbursement authorized under this part, the use of scholarship funds from the online
portal directly to a qualifying provider to pay for scholarship expenses without the availability of
withdrawal or other direct access to scholarship funds by an individual; and
- 1307 (ii) system compliance with industry standards for data privacy and cybersecurity, including ensuring
compliance with the Family Educational Rights and Privacy Act, 34 C.F.R. Part 99.

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- 1310 (3) In advance of the program manager accepting applications in accordance with Section 53F-6-402
and as regularly as information develops, the program manager shall provide information regarding
the program by publishing a program handbook online for scholarship applicants, scholarship
students, parents, service providers seeking to become qualifying providers, and qualifying
providers, that includes information regarding:
- 1316 (a) the policies and processes of the program;
- 1317 (b) approved scholarship expenses and qualifying providers;
- 1318 (c) the responsibilities of parents regarding the program and scholarship funds;
- 1319 (d) the duties of each contracted entity; and
- 1320 (e) the opportunity and process to appeal an administrative decision of the program manager in
accordance with the process described in Section 53F-6-417.
- 1322 (4) To ensure the fiscal security and compliance of the program, the program manager shall:
- 1323 (a) prohibit any person from handling, managing, or processing scholarship funds, if, the person poses
a risk to the appropriate use of scholarship funds, as determined by background checks the program
manager conducted in accordance with Section 53F-6-407;
- 1327 (b) establish procedures to ensure a fair process to:
- 1328 (i) suspend scholarship student's eligibility for the program in the event of the scholarship student's or
scholarship student's parent's:
- 1330 (A) intentional or substantial misuse of scholarship funds; or
- 1331 (B) violation of this part or the terms of the program; and
- 1332 (ii) if the program manager or financial administrator obtains evidence of fraudulent use of scholarship
funds, refer the case to the attorney general for collection or criminal investigation; and
- 1335 (iii) ensure that a scholarship student whose eligibility is suspended or disqualified under this
Subsection (4)(b) or Subsection (4)(c) based on the actions of the student's parent regains eligibility
if the student is placed with a different parent or otherwise no longer resides with the parent related
to the suspension or disqualification; and
- 1340 (c) notify the financial administrator, scholarship student, and scholarship student's parent in writing:
- 1342 (i) of the suspension described in Subsection (4)(b)(i);
- 1343 (ii) that no further transactions, disbursements, or reimbursements are allowed;
- 1344 (iii) that the scholarship student or scholarship student's parent may take corrective action within 10
business days of the day on which the program manager provides the notification; and

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- 1347 (iv) that without taking the corrective action within the time period described in Subsection (4)(c)(iii),
the program manager may disqualify the student's eligibility.
- 1349 (5)
- (a) A program manager may not direct the financial administrator to:
- 1350 (i) disburse scholarship funds to a qualifying provider or allow a qualifying provider to use
scholarship funds if:
- 1352 (A) the program manager determines that the qualifying provider intentionally or substantially
misrepresented information on overpayment;
- 1354 (B) the qualifying provider fails to refund an overpayment in a timely manner; or
- 1355 (C) the qualifying provider routinely fails to provide scholarship students with promised educational
services; or
- 1357 (ii) reimburse with scholarship funds an individual for the purchase of a good or service if the
program manager determines that:
- 1359 (A) the scholarship student or the scholarship student's parent requesting reimbursement intentionally or
substantially misrepresented the cost or educational purpose of the good or service; or
- 1362 (B) the relevant scholarship student was not the exclusive user of the good or service.
- 1364 (b) A program manager shall notify a scholarship student if the program manager:
- 1365 (i) stops disbursement of the scholarship student's scholarship funds to a qualifying provider under
Subsection (5)(a)(i); or
- 1367 (ii) refuses reimbursement under Subsection (5)(a)(ii).
- 1368 (6)
- (a) At any time, a scholarship student may change the qualifying provider to which the scholarship
student's scholarship account makes distributions.
- 1370 (b) If, during the school year, a scholarship student changes the student's enrollment in or engagement
with a qualifying provider to another qualifying provider, the program manager may direct the
financial administrator to prorate scholarship funds between the qualifying providers based on the
time the scholarship student received the goods or services or was enrolled.
- 1375 (7) A program manager may not subvert the enrollment preferences required under Section 53F-6-402
or other provisions of this part to establish a scholarship account on behalf of a relative of a
contracted entity employee or contracted employee officer.
- 1378 (8) In regards to customer service needs related to the program, the program manager shall:

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- 1379 (a) provide customer service regarding:
- 1380 (i) program eligibility determinations;
- 1381 (ii) application status;
- 1382 (iii) qualifying provider approvals;
- 1383 (iv) scholarship expense eligibility;
- 1384 (v) program policies and requirements;
- 1385 (vi) appeals and grievances;
- 1386 (vii) accessibility for disabled individuals; and
- 1387 (viii) general program information;
- 1388 (b) ensure the financial administrator provides customer service regarding:
- 1389 (i) scholarship account access;
- 1390 (ii) payment processing status;
- 1391 (iii) technical support for the payment portal;
- 1392 (iv) account balance inquiries;
- 1393 (v) transaction history; and
- 1394 (vi) reimbursement status;
- 1395 (c) establish customer service standards that the program manager and the financial administrator must meet;
- 1397 (d) require the financial administrator to:
- 1398 (i) maintain adequate customer service staffing;
- 1399 (ii) meet specified response time requirements; and
- 1400 (iii) track and report on customer service metrics;[-and]
- 1401 (e) coordinate with the financial administrator to ensure seamless referral of inquiries between contracted entities[-] ;
- 1403 (f) maintain call center capacity adequate to serve current program participation levels, including:
- 1405 (i) sufficient staffing to handle call volume during standard and peak enrollment periods;
- 1407 (ii) scalability plans to increase customer service capacity as program enrollment grows; and
- 1409 (iii) regular capacity assessments to ensure staffing and infrastructure meet program demands; and
- 1411 (g) continue improvement of customer service based on parent feedback.
- 1412 (9) Contracted entities may not charge processing fees to an eligible student or pass on third-party fees related to the use or management of scholarship funds.

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- 1414 (10) The program manager shall establish and maintain a pre-approval process for scholarship expenses
1416 that:
1417 (a) allows parents to submit expense requests for review before incurring the expense;
1418 (b) provides a response within seven business days indicating whether:
1419 (i) the expense is approved as an allowable scholarship expense;
1420 (ii) the expense requires additional information or documentation; or
1422 (iii) the expense is not an allowable scholarship expense, with a clear explanation of the reason for
1423 denial;
1424 (c) is accessible through the online portal, email, and telephone; and
1425 (d) maintains documentation of all pre-approval requests and decisions.
1426 (11) If the program manager operates a marketplace for educational products or services:
1427 (a) prices shall reflect fair market value;
1428 (b) parents may purchase substantially similar items elsewhere and seek reimbursement;
1429 (c) the program manager may not require exclusive marketplace purchases;
1430 (d) the program manager may not resell used or returned goods through the marketplace; and
1431 (e) nothing in this subsection prohibits parents from purchasing used or resale educational materials,
1432 supplies, or equipment from third parties and seeking reimbursement through the scholarship
1433 account reimbursement process in accordance with this part.
1434 ~~{Section 11. Section 53F-6-406 is amended to read: }~~
1435 **53F-6-406. Qualifying provider regulatory autonomy -- Home school autonomy -- Student**
1436 **records -- Scholarship student status.**
1437 (1) Nothing in this part:
1438 (a) except as expressly described in this part, grants additional authority to any state agency or LEA to
1439 regulate or control:
1440 (i) a private school, qualifying provider, or home school;
1441 (ii) students receiving education from a private school, qualifying provider, or home school;
1442 (b) applies to or otherwise affects the freedom of choice of a home school student, including the
1443 curriculum, resources, developmental planning, or any other aspect of the home school student's
1444 education; or
1446

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(c) except as expressly provided in Section 53F-6-408 regarding LEA providers, expands the regulatory authority of the state, a state office holder, or an LEA to impose any additional regulation of a qualifying provider beyond any regulation necessary to administer this part.

(2) A qualifying provider:

(a) has a right to maximum freedom from unlawful governmental control in providing for the educational needs of a scholarship student who attends or engages with the qualifying provider; and

(b) is not an agent of the state by virtue of the provider's acceptance of payment from a scholarship account in accordance with this part.

(3) Except as provided in Section 53F-6-403 regarding qualifying providers, Section 53F-6-408 regarding eligible schools, or Section 53F-6-409 regarding eligible service providers, a program manager may not require a qualifying provider to alter the qualifying provider's creed, practices, admissions policies, hiring practices, or curricula in order to accept scholarship funds.

(4) An LEA or a school in an LEA in which a scholarship student was previously enrolled shall provide to the scholarship student's parent a copy of all school records relating to the student that the LEA possesses within 30 days after the day on which the LEA or school receives the parent's request for the student's records, subject to:

(a) Title 53E, Chapter 9, Student Privacy and Data Protection; and

(b) Family Educational Rights and Privacy Act, 20 U.S.C. Sec. 1232g.

(5) By virtue of a scholarship student's involvement in the program and unless otherwise expressly provided in statute, a scholarship student is not:

(a) enrolled in the public education system; or

(b) otherwise subject to statute, administrative rules, or other state regulations as if the student was enrolled in the public education system.

(6)

(a) A scholarship student may participate in public school athletics and extracurricular activities in the same manner as a home school student or private school student under Section 53G-6-702.

(b) An LEA may not:

(i) deny a scholarship student the opportunity to participate in athletics or extracurricular activities based solely on the student's scholarship status; or

(ii) impose requirements on scholarship students for athletic or extracurricular participation that are more restrictive than those imposed on home school students or private school students.

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~~{Section 12. Section 53F-6-408 is amended to read: }~~

53F-6-408. Eligible schools.

(1) To be eligible to receive scholarship funds on behalf of a scholarship student as an eligible school, a private school with 150 or more enrolled students shall:

[(a)

(i) ~~contract with an independent licensed certified public accountant to conduct an agreed upon procedures engagement as the state board adopts, or obtain an audit and report that:]~~

~~[(A) a licensed independent certified public accountant conducts in accordance with generally accepted auditing standards;]~~

~~[(B) presents the financial statements in accordance with generally accepted accounting principles; and]~~

~~[(C) audits financial statements from within the 12 months immediately preceding the audit; and]~~

~~[(ii) submit the audit report or report of the agreed upon procedure to the program manager when the private school applies to receive scholarship funds;]~~

(a) submit to the program manager verification that the private school has obtained:

(i) an agreed upon procedures engagement conducted by an independent licensed certified public accountant that addresses financial solvency and working capital adequacy; or

(ii) an audit conducted by an independent licensed certified public accountant in accordance with generally accepted auditing standards that presents financial statements in accordance with generally accepted accounting principles;

(b) provide to the program manager and financial administrator:

(i) a federal employer identification number;

(ii) the provider's address and contact information;

(iii) a description of each program or service the provider proposes to offer a scholarship student; and

(iv) any other information as required by the program manager or financial administrator.

~~[(b)] (c) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d;~~

~~[(c)] (d) provide a written disclosure to the parent of each prospective scholarship student, before the student is enrolled, of:~~

~~(i) the education services that the school will provide to the scholarship student, including the cost of the provided services;~~

~~(ii) tuition costs;~~

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- 1517 (iii) additional fees the school will require a parent to pay during the school year;[~~and~~]
1518 (iv) the skill or grade level of the curriculum in which the prospective scholarship student will
participate;[~~and~~]
1520 (v) beginning the 2026-2027 school year, a clear statement that if a scholarship student withdraws and
the school's refund policy provides for a tuition refund, the school shall remit any refund directly to
the program manager for deposit back into the student's scholarship account in accordance with the
school's standard refund policies; and
1525 (vi) beginning the 2026-2027 school year, a statement that the school's published tuition costs, fees,
and refund policies are identical for scholarship students and regularly enrolled students, and that
scholarship students will not be charged different amounts or subject to different refund terms than
other students enrolled in the same programs;
1530 [~~(d)~~] (e) require the following individuals to submit to a nationwide, fingerprint-based criminal
background check and ongoing monitoring, in accordance with Section 53G-11-402, as a condition
for employment or appointment, as authorized by the Adam Walsh Child Protection and Safety Act
of 2006, Pub. L. No. 109-248:
1534 (i) an employee who does not hold:
1535 (A) a current Utah educator license issued by the state board under Title 53E, Chapter 6, Education
Professional Licensure; or
1537 (B) if the private school is not physically located in Utah, a current educator license in the state where
the private school is physically located; and
1539 (ii) a contract employee[~~;~~];
1540 (f) beginning the 2026-2027 school year, maintain and operate a functioning website that includes:
1542 (i) clearly posted tuition costs;
1543 (ii) all additional fees required during the school year;
1544 (iii) the school's refund and reimbursement policies in an easily accessible location;
1545 (iv) contact information for the school's administration; and
1546 (v) the school's physical address;
1547 (g) beginning the 2026-2027 school year, report to the program manager within five business days
when a scholarship student withdraws from the school during the school year; and
1550

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(h) beginning the 2026-2027 school year, ensure that all tuition charges, fees, and refund policies applied to scholarship students are identical to those applied to regularly enrolled students in the same programs or grade levels.

(2)

(a) The program manager shall ensure that:

(i) the verification required under Subsection (1)(a)(i):

(A) is from an audit or agreed upon procedures engagement completed within the 12 months immediately preceding the private school's application to receive scholarship funds;

(B) confirms that the audit or agreed upon procedures engagement found the private school to be financially solvent with adequate working capital to maintain operations; and

(C) does not include the underlying audit report or detailed financial information.

(b) The program manager:

(i) may only verify that the required audit or agreed upon procedures engagement was completed and found general financial solvency;

(ii) may not conduct, commission, or be involved in the audit or agreed upon procedures engagement; and

(iii) may not review detailed financial records of the private school beyond the verification described in Subsection (2)(a)(i).

[(2)] (3) A private school described in Subsection (1) is not eligible to receive scholarship funds if:

(a) the private school requires a scholarship student to sign a contract waiving the scholarship student's right to transfer to another qualifying provider during the school year;

(b) the verification required under Subsection (1)(a) indicates that the audit report contains a going concern explanatory paragraph; or

(c) the verification required under Subsection (1)(a) indicates that the report of the agreed upon procedures shows that the private school does not have adequate working capital to maintain operations for the first full year.

[(b) the audit report described in Subsection (1)(a) contains a going concern explanatory paragraph; or]

[(c) the report of the agreed upon procedures described in Subsection (1)(a) shows that the private school does not have adequate working capital to maintain operations for the first full year.]

[(3)] (4) To be eligible to receive scholarship funds on behalf of a scholarship student as an eligible school, a private school with fewer than 150 enrolled students shall:

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- 1586 (a) provide to the program manager and financial administrator:
1587 (i) a federal employer identification number;
1588 (ii) the provider's address and contact information;
1589 (iii) a description of each program or service the provider proposes to offer a scholarship student; and
1591 (iv) any other information as required by the program manager or financial administrator;[-and]
1593 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d[-:] ;
1594 (c) beginning the 2026-2027 school year, maintain and operate a functioning website that includes:
1596 (i) clearly posted tuition costs;
1597 (ii) all additional fees required during the school year;
1598 (iii) the school's refund and reimbursement policies in an easily accessible location;
1599 (iv) contact information for the school's administration; and
1600 (v) the school's address;
1601 (d) provide a written disclosure to the parent of each prospective scholarship student, before the student
is enrolled, that includes:
1603 (i) tuition costs;
1604 (ii) additional fees required during the school year; and
1605 (iii) a clear statement that if a scholarship student withdraws and the school's refund policy provides for
a tuition refund, the school shall remit any refund directly to the program manager for deposit back
into the student's scholarship account in accordance with the school's standard refund policies;
1609 (e) beginning the 2026-2027 school year, a statement that the school's published tuition costs, fees, and
refund policies are identical for scholarship students and regularly enrolled students; and
1612 (f) beginning the 2026-2027 school year, report to the program manager within five business days when
a scholarship student withdraws from the school during the school year.
1615 [(4)] (5) A private school described in Subsection [(3)] (4) is not eligible to receive scholarship funds
if the private school requires a scholarship student to sign a contract waiving the student's rights to
transfer to another qualifying provider during the school year.
1619 [(5)] (6) To be eligible to receive scholarship funds on behalf of a scholarship student as an eligible
school, an LEA shall:
1621 (a) provide to the program manager and financial administrator:
1622 (i) a federal employer identification number;
1623 (ii) the LEA's address and contact information; and

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- 1624 (iii) the amount to be charged under the program, in correlation with the LEA's course and activity
fee schedules, and a description of a class, program, or service the LEA provides to a scholarship
student;
- 1627 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d; and
- 1628 (c) ensure the provision of services to a scholarship student through which:
- 1629 (i) the scholarship student does not enroll in the LEA; and
- 1630 (ii) in accordance with Subsection 53F-2-302(2), the LEA does not receive WPU funding related to the
student's participation with the LEA;
- 1632 (d) treat a scholarship student the same as the LEA would treat an enrolled student, including in:
- 1634 (i) participation allowances;
- 1635 (ii) audition rules;
- 1636 (iii) athletic team participation;
- 1637 (iv) extracurricular activities; and
- 1638 (v) co-curricular activities;
- 1639 (e) not deny a scholarship student participation in any activity, team, or program simply because:
- 1641 (i) the student is a scholarship student; or
- 1642 (ii) of liability concerns specific to the student's scholarship status;
- 1643 (f) establish a transparent and fair fee structure for scholarship expenses offered by the LEA, including
a fee schedule that:
- 1645 (i) is based on actual costs of providing services;
- 1646 (ii) is consistent with fees charged to enrolled students;
- 1647 (iii) itemizes all charges and fees;
- 1648 (iv) explains the basis for each fee; and
- 1649 (v) is updated annually;
- 1650 (g) provide the same liability coverage to scholarship students as provided to enrolled students; and
- 1652 (h) in accordance with Subsection 53F-6-402(7), create and maintain a distinct identifier in the LEA's
student information system that:
- 1654 (i) clearly identifies a scholarship student; and
- 1655 (ii) distinguishes the scholarship student from a student enrolled in the LEA.
- 1656 [(6)] (7) An LEA described in Subsection [(5)] (6) is not eligible to receive scholarship funds if:
- 1658

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(a) the LEA requires a public education system scholarship student to sign a contract waiving the student's rights to engage with another qualifying provider for a scholarship expense during the school year; or

1661 (b) the LEA refuses to offer services that do not require LEA enrollment to scholarship students under the program.

1663 ~~[(7)]~~ (8) Residential treatment facilities licensed by the state are not eligible to receive scholarship funds.

1665 ~~[(8)]~~ (9) A private school or LEA intending to receive scholarship funds shall:

1666 (a)

(i) for a private school, submit an application to the program manager; or

1667 (ii) for an LEA, submit a notice to the program manager containing the information described in Subsection ~~[(5)(a)]~~ (6)(a); and

1669 (b) agree to not refund, rebate, or share scholarship funds with scholarship students or scholarship student's parents in any manner except remittances or refunds processed through the financial administrator to a scholarship account in accordance with this part and procedures that the program manager establishes, and the payment schedule described in Section 53F-6-411.

1674 ~~[(9)]~~ (10) The program manager shall:

1675 (a) if the private school or LEA meets the eligibility requirements of this section, recognize the private school or LEA as an eligible school and, for a private school, approve the application; and

1678 (b) make available to the public a list of eligible schools approved under this section.

1679 ~~[(10)]~~ (11) A private school approved under this section that changes ownership shall:

1680 (a) cease operation as an eligible school until:

1681 (i) the school submits a new application to the program manager; and

1682 (ii) the program manager approves the new application; and

1683 (b) demonstrate that the private school continues to meet the eligibility requirements of this section.

1685 ~~[(11)]~~ (12) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the state board shall establish rules for an LEA to create and publish fee structures for scholarship students.

693 Section 8. Section **59-1-403** is amended to read:

694 **59-1-403. Confidentiality -- Exceptions -- Penalty -- Application to property tax.**

1691 (1) As used in this section:

1692 (a) "Distributed tax, fee, or charge" means a tax, fee, or charge:

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- 1693 (i) the commission administers under:
- 1694 (A) this title, other than a tax under Chapter 12, Part 2, Local Sales and Use Tax Act;
- 1696 (B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
- 1697 (C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
- 1698 (D) Section 19-6-805;
- 1699 (E) Section 63H-1-205; or
- 1700 (F) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges; and
- 1702 (ii) with respect to which the commission distributes the revenue collected from the tax, fee, or charge to a qualifying jurisdiction.
- 1704 (b) "GOEO" means the Governor's Office of Economic Opportunity created in Section 63N-1a-301.
- 1706 (c) "Qualifying jurisdiction" means:
- 1707 (i) a county, city, or town;
- 1708 (ii) the military installation development authority created in Section 63H-1-201;
- 1709 (iii) the Utah Inland Port Authority created in Section 11-58-201; or
- 1710 (iv) the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201.
- 1712 (2)
- (a) Any of the following may not divulge or make known in any manner any information gained by that person from any return filed with the commission:
- 1714 (i) a tax commissioner;
- 1715 (ii) an agent, clerk, or other officer or employee of the commission; or
- 1716 (iii) a representative, agent, clerk, or other officer or employee of any county, city, or town.
- 1718 (b) An official charged with the custody of a return filed with the commission is not required to produce the return or evidence of anything contained in the return in any action or proceeding in any court, except:
- 1721 (i) in accordance with judicial order;
- 1722 (ii) on behalf of the commission in any action or proceeding under:
- 1723 (A) this title; or
- 1724 (B) other law under which persons are required to file returns with the commission;
- 1726 (iii) on behalf of the commission in any action or proceeding to which the commission is a party; or
- 1728 (iv) on behalf of any party to any action or proceeding under this title if the report or facts shown by the return are directly involved in the action or proceeding.

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- 1730 (c) Notwithstanding Subsection (2)(b), a court may require the production of, and may admit in
evidence, any portion of a return or of the facts shown by the return, as are specifically pertinent to
the action or proceeding.
- 1733 (d) Notwithstanding any other provision of state law, a person described in Subsection (2)(a) may not
divulge or make known in any manner any information gained by that person from any return filed
with the commission to the extent that the disclosure is prohibited under federal law.
- 1737 (3) This section does not prohibit:
- 1738 (a) a person or that person's duly authorized representative from receiving a copy of any return or report
filed in connection with that person's own tax;
- 1740 (b) the publication of statistics as long as the statistics are classified to prevent the identification of
particular reports or returns; and
- 1742 (c) the inspection by the attorney general or other legal representative of the state of the report or return
of any taxpayer:
- 1744 (i) who brings action to set aside or review a tax based on the report or return;
- 1745 (ii) against whom an action or proceeding is contemplated or has been instituted under this title; or
- 1747 (iii) against whom the state has an unsatisfied money judgment.
- 1748 (4)
- (a) Notwithstanding Subsection (2) and for purposes of administration, the commission may by rule,
made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, provide for a
reciprocal exchange of information with:
- 1752 (i) the United States Internal Revenue Service; or
- 1753 (ii) the revenue service of any other state.
- 1754 (b) Notwithstanding Subsection (2) and for all taxes except individual income tax and corporate
franchise tax, the commission may by rule, made in accordance with Title 63G, Chapter 3, Utah
Administrative Rulemaking Act, share information gathered from returns and other written
statements with the federal government, any other state, any of the political subdivisions of
another state, or any political subdivision of this state, except as limited by Sections 59-12-209 and
59-12-210, if the political subdivision, other state, or the federal government grant substantially
similar privileges to this state.
- 1762 (c) Notwithstanding Subsection (2) and for all taxes except individual income tax and corporate
franchise tax, the commission may by rule, in accordance with Title 63G, Chapter 3, Utah

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Administrative Rulemaking Act, provide for the issuance of information concerning the identity and other information of taxpayers who have failed to file tax returns or to pay any tax due.

- 1767 (d) Notwithstanding Subsection (2), the commission shall provide to the director of the Division of
Environmental Response and Remediation, as defined in Section 19-6-402, as requested by the
director of the Division of Environmental Response and Remediation, any records, returns, or
other information filed with the commission under Chapter 13, Motor and Special Fuel Tax Act, or
Section 19-6-410.5 regarding the environmental assurance program participation fee.
- 1773 (e) Notwithstanding Subsection (2), at the request of any person the commission shall provide that
person sales and purchase volume data reported to the commission on a report, return, or other
information filed with the commission under:
- 1776 (i) Chapter 13, Part 2, Motor Fuel; or
- 1777 (ii) Chapter 13, Part 4, Aviation Fuel.
- 1778 (f) Notwithstanding Subsection (2), upon request from a tobacco product manufacturer, as defined in
Section 59-22-202, the commission shall report to the manufacturer:
- 1780 (i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the manufacturer and
reported to the commission for the previous calendar year under Section 59-14-407; and
- 1783 (ii) the quantity of cigarettes, as defined in Section 59-22-202, produced by the manufacturer for which
a tax refund was granted during the previous calendar year under Section 59-14-401 and reported to
the commission under Subsection 59-14-401(1)(a)(v).
- 1787 (g) Notwithstanding Subsection (2), the commission shall notify manufacturers, distributors,
wholesalers, and retail dealers of a tobacco product manufacturer that is prohibited from selling
cigarettes to consumers within the state under Subsection 59-14-210(2).
- 1791 (h) Notwithstanding Subsection (2), the commission may:
- 1792 (i) provide to the Division of Consumer Protection within the Department of Commerce and the
attorney general data:
- 1794 (A) reported to the commission under Section 59-14-212; or
- 1795 (B) related to a violation under Section 59-14-211; and
- 1796 (ii) upon request, provide to any person data reported to the commission under Subsections
59-14-212(1)(a) through (c) and Subsection 59-14-212(1)(g).
- 1798 (i) Notwithstanding Subsection (2), the commission shall, at the request of a committee of the
Legislature, the Office of the Legislative Fiscal Analyst, or the Governor's Office of Planning

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and Budget, provide to the committee or office the total amount of revenue collected by the commission under Chapter 24, Radioactive Waste Facility Tax Act, for the time period specified by the committee or office.

- 1803 (j) Notwithstanding Subsection (2), the commission shall make the directory required by Section
59-14-603 available for public inspection.
- 1805 (k) Notwithstanding Subsection (2), the commission may share information with federal, state, or local
agencies as provided in Subsection 59-14-606(3).
- 1807 (l)
- (i) Notwithstanding Subsection (2), the commission shall provide the Office of Recovery Services
within the Department of Health and Human Services any relevant information obtained from a
return filed under Chapter 10, Individual Income Tax Act, regarding a taxpayer who has become
obligated to the Office of Recovery Services.
- 1812 (ii) The information described in Subsection (4)(l)(i) may be provided by the Office of Recovery
Services to any other state's child support collection agency involved in enforcing that support
obligation.
- 1815 (m)
- (i) Notwithstanding Subsection (2), upon request from the state court administrator, the commission
shall provide to the state court administrator, the name, address, telephone number, county of
residence, and social security number on resident returns filed under Chapter 10, Individual Income
Tax Act.
- 1819 (ii) The state court administrator may use the information described in Subsection (4)(m)(i) only as a
source list for the master jury list described in Section 78B-1-106.
- 1822 (n)
- (i) As used in this Subsection (4)(n):
- 1823 (A) "Income tax information" means information gained by the commission that is required to
be attached to or included in a return filed with the commission under Chapter 7, Corporate
Franchise and Income Taxes, or Chapter 10, Individual Income Tax Act.
- 1827 (B) "Other tax information" means information gained by the commission that is required to be
attached to or included in a return filed with the commission except for a return filed under
Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax Act.
- 1831 (C) "Tax information" means income tax information or other tax information.

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- 1832 (ii)
- (A) Notwithstanding Subsection (2) and except as provided in Subsection (4)(n)(ii)(B) or (C), the commission shall at the request of GOEO provide to GOEO all income tax information.
- 1835 (B) For purposes of a request for income tax information made under Subsection (4)(n)(ii)(A), GOEO may not request and the commission may not provide to GOEO a person's address, name, social security number, or taxpayer identification number.
- 1839 (C) In providing income tax information to GOEO, the commission shall in all instances protect the privacy of a person as required by Subsection (4)(n)(ii)(B).
- 1841 (iii)
- (A) Notwithstanding Subsection (2) and except as provided in Subsection (4)(n)(iii)(B), the commission shall at the request of GOEO provide to GOEO other tax information.
- 1844 (B) Before providing other tax information to GOEO, the commission shall redact or remove any name, address, social security number, or taxpayer identification number.
- 1847 (iv) GOEO may provide tax information received from the commission in accordance with this Subsection (4)(n) only:
- 1849 (A) as a fiscal estimate, fiscal note information, or statistical information; and
- 1850 (B) if the tax information is classified to prevent the identification of a particular return.
- 1852 (v)
- (A) A person may not request tax information from GOEO under Title 63G, Chapter 2, Government Records Access and Management Act, or this section, if GOEO received the tax information from the commission in accordance with this Subsection (4)(n).
- 1856 (B) GOEO may not provide to a person that requests tax information in accordance with Subsection (4)(n)(v)(A) any tax information other than the tax information GOEO provides in accordance with Subsection (4)(n)(iv).
- 1859 (o) Notwithstanding Subsection (2), the commission may provide to the governing board of the agreement or a taxing official of another state, the District of Columbia, the United States, or a territory of the United States:
- 1862 (i) the following relating to an agreement sales and use tax:
- 1863 (A) information contained in a return filed with the commission;
- 1864 (B) information contained in a report filed with the commission;
- 1865 (C) a schedule related to Subsection (4)(o)(i)(A) or (B); or

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- 1866 (D) a document filed with the commission; or
- 1867 (ii) a report of an audit or investigation made with respect to an agreement sales and use tax.
- 1869 (p) Notwithstanding Subsection (2), the commission may provide information concerning a taxpayer's state income tax return or state income tax withholding information to the Driver License Division if the Driver License Division:
- 1872 (i) requests the information; and
- 1873 (ii) provides the commission with a signed release form from the taxpayer allowing the Driver License Division access to the information.
- 1875 (q) Notwithstanding Subsection (2), the commission shall provide to the Utah Communications Authority, or a division of the Utah Communications Authority, the information requested by the authority under Sections 63H-7a-302, 63H-7a-402, and 63H-7a-502.
- 1879 (r) Notwithstanding Subsection (2), the commission shall provide to the Utah Educational Savings Plan information related to a resident or nonresident individual's contribution to a Utah Educational Savings Plan account as designated on the resident or nonresident's individual income tax return as provided under Section 59-10-1313.
- 1884 (s) Notwithstanding Subsection (2), for the purpose of verifying eligibility under Sections 26B-3-106 and 26B-3-903, the commission shall provide an eligibility worker with the Department of Health and Human Services or its designee with the adjusted gross income of an individual if:
- 1888 (i) an eligibility worker with the Department of Health and Human Services or its designee requests the information from the commission; and
- 1890 (ii) the eligibility worker has complied with the identity verification and consent provisions of Sections 26B-3-106 and 26B-3-903.
- 1892 (t) Notwithstanding Subsection (2), the commission may provide to a county, as determined by the commission, information declared on an individual income tax return in accordance with Section 59-10-103.1 that relates to eligibility to claim a residential exemption authorized under Section 59-2-103.
- 1896 (u) Notwithstanding Subsection (2), the commission shall provide a report regarding any access line provider that is over 90 days delinquent in payment to the commission of amounts the access line provider owes under Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges, to ~~[the]~~ the board of the Utah Communications Authority created in Section 63H-7a-201.

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- (v) Notwithstanding Subsection (2), the commission shall provide the Department of Environmental Quality a report on the amount of tax paid by a radioactive waste facility for the previous calendar year under Section 59-24-103.5.
- 1904 (w) Notwithstanding Subsection (2), the commission may, upon request, provide to the Department of Workforce Services any information received under Chapter 10, Part 4, Withholding of Tax, that is relevant to the duties of the Department of Workforce Services.
- 1908 (x) Notwithstanding Subsection (2), the commission may provide the Public Service Commission or the Division of Public Utilities information related to a seller that collects and remits to the commission a charge described in Subsection 69-2-405(2), including the seller's identity and the number of charges described in Subsection 69-2-405(2) that the seller collects.
- 1913 (y)
- (i) Notwithstanding Subsection (2), the commission shall provide to each qualifying jurisdiction the collection data necessary to verify the revenue collected by the commission for a distributed tax, fee, or charge collected within the qualifying jurisdiction.
- 1917 (ii) In addition to the information provided under Subsection (4)(y)(i), the commission shall provide a qualifying jurisdiction with copies of returns and other information relating to a distributed tax, fee, or charge collected within the qualifying jurisdiction.
- 1921 (iii)
- (A) To obtain the information described in Subsection (4)(y)(ii), the chief executive officer or the chief executive officer's designee of the qualifying jurisdiction shall submit a written request to the commission that states the specific information sought and how the qualifying jurisdiction intends to use the information.
- 1926 (B) The information described in Subsection (4)(y)(ii) is available only in official matters of the qualifying jurisdiction.
- 1928 (iv) Information that a qualifying jurisdiction receives in response to a request under this subsection is:
- 1930 (A) classified as a private record under Title 63G, Chapter 2, Government Records Access and Management Act; and
- 1932 (B) subject to the confidentiality requirements of this section.
- 1933 (z) Notwithstanding Subsection (2), the commission shall provide the Alcoholic Beverage Services Commission, upon request, with taxpayer status information related to state tax obligations necessary to comply with the requirements described in Section 32B-1-203.

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- 1937 (aa) Notwithstanding Subsection (2), the commission shall inform the Department of Workforce
Services, as soon as practicable, whether an individual claimed and is entitled to claim a federal
earned income tax credit for the year requested by the Department of Workforce Services if:
- 1941 (i) the Department of Workforce Services requests this information; and
- 1942 (ii) the commission has received the information release described in Section 35A-9-604.
- 1944 (bb)
- (i) As used in this Subsection (4)(bb), "unclaimed property administrator" means the administrator or
the administrator's agent, as those terms are defined in Section 67-4a-102.
- 1947 (ii)
- (A) Notwithstanding Subsection (2), upon request from the unclaimed property administrator and
to the extent allowed under federal law, the commission shall provide the unclaimed property
administrator the name, address, telephone number, county of residence, and social security number
or federal employer identification number on any return filed under Chapter 7, Corporate Franchise
and Income Taxes, or Chapter 10, Individual Income Tax Act.
- 1953 (B) The unclaimed property administrator may use the information described in Subsection (4)(bb)(ii)
(A) only for the purpose of returning unclaimed property to the property's owner in accordance with
Title 67, Chapter 4a, Revised Uniform Unclaimed Property Act.
- 1957 (iii) The unclaimed property administrator is subject to the confidentiality provisions of this section
with respect to any information the unclaimed property administrator receives under this Subsection
(4)(bb).
- 1960 (cc) Notwithstanding Subsection (2), the commission may, upon request, disclose a taxpayer's state
individual income tax information to a program manager of the Utah Fits All Scholarship Program
under Section 53F-6-402 if:
- 1963 (i) the taxpayer consents in writing to the disclosure;
- 1964 (ii) the taxpayer's written consent includes the taxpayer's name, social security number, and any other
information the commission requests that is necessary to verify the identity of the taxpayer; and
- 1967 (iii) the program manager provides the taxpayer's written consent to the commission.
- 1968 (dd) Notwithstanding Subsection (2), the commission may, upon request, disclose a taxpayer's state
individual income tax information to a scholarship granting organization of the Carson Smith
Opportunity Scholarship Program under Section 53E-7-402 if:
- 1972 (i) the taxpayer consents in writing to the disclosure;

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- 1973 (ii) the taxpayer's written consent includes the taxpayer's name, social security number, and any other
information the commission requests that is necessary to verify the identity of the taxpayer; and
- 1976 (iii) the program manager provides the taxpayer's written consent to the commission.
- 1977 ~~[(dd)]~~ (ee) Notwithstanding Subsection (2), the commission may provide to the Division of Finance
within the Department of Government Operations any information necessary to facilitate a payment
from the commission to a taxpayer, including:
- 1980 (i) the name of the taxpayer entitled to the payment or any other person legally authorized to receive the
payment;
- 1982 (ii) the taxpayer identification number of the taxpayer entitled to the payment;
- 1983 (iii) the payment identification number and amount of the payment;
- 1984 (iv) the tax year to which the payment applies and date on which the payment is due;
- 1985 (v) a mailing address to which the payment may be directed; and
- 1986 (vi) information regarding an account at a depository institution to which the payment may be directed,
including the name of the depository institution, the type of account, the account number, and the
routing number for the account.
- 1989 ~~[(ee)]~~ (ff) Notwithstanding Subsection (2), the commission shall provide the total amount of revenue
collected by the commission under Subsection 59-5-202(5):
- 1991 (i) at the request of a committee of the Legislature, the Office of the Legislative Fiscal Analyst, or the
Governor's Office of Planning and Budget, to the committee or office for the time period specified
by the committee or office; and
- 1994 (ii) to the Division of Finance for purposes of the Division of Finance administering Subsection
59-5-202(5).
- 1996 ~~[(ff)]~~ (gg) Notwithstanding Subsection (2), the commission may provide the Department of Agriculture
and Food with information from a return filed in accordance with Chapter 31, Cannabinoid
Licensing and Tax Act.
- 1999 ~~[(gg)]~~ (hh) Notwithstanding Subsection (2), the commission shall provide the Department of Workforce
Services with the information described in Section 35A-3-105.
- 2002 ~~[(hh)]~~ (ii) Notwithstanding Subsection (2), the commission may provide aggregated information to
the Utah Population Committee, created in Section 63C-20-103, if the Utah Population Committee
requests the information in accordance with Section 63C-20-105.
- 2006 (5)

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- (a) Each report and return shall be preserved for at least three years.
- 2007 (b) After the three-year period provided in Subsection (5)(a) the commission may destroy a report or return.
- 2009 (6)
- (a) Any individual who violates this section is guilty of a class A misdemeanor.
- 2010 (b) If the individual described in Subsection (6)(a) is an officer or employee of the state, the individual shall be dismissed from office and be disqualified from holding public office in this state for a period of five years thereafter.
- 2013 (c) Notwithstanding Subsection (6)(a) or (b), GOEO, when requesting information in accordance with Subsection (4)(n)(iii), or an individual who requests information in accordance with Subsection (4)(n)(v):
- 2016 (i) is not guilty of a class A misdemeanor; and
- 2017 (ii) is not subject to:
- 2018 (A) dismissal from office in accordance with Subsection (6)(b); or
- 2019 (B) disqualification from holding public office in accordance with Subsection (6)(b).
- 2021 (d) Notwithstanding Subsection (6)(a) or (b), for a disclosure of information to the Office of the Legislative Auditor General in accordance with Title 36, Chapter 12, Legislative Organization, an individual described in Subsection (2):
- 2024 (i) is not guilty of a class A misdemeanor; and
- 2025 (ii) is not subject to:
- 2026 (A) dismissal from office in accordance with Subsection (6)(b); or
- 2027 (B) disqualification from holding public office in accordance with Subsection (6)(b).
- 2029 (7) Except as provided in Section 59-1-404, this part does not apply to the property tax.
- 1035 Section 9. Section **59-7-625** is amended to read:
- 1036 **59-7-625. Nonrefundable tax credit for a donation to the Carson Smith Opportunity Scholarship Program.**
- 2033 (1) A taxpayer that makes a donation to the Carson Smith Opportunity Scholarship Program established in Section 53E-7-402 may claim a nonrefundable tax credit equal to 100% of the amount stated on a tax credit certificate issued in accordance with Section 53E-7-407.
- 2036 (2) A taxpayer may claim the tax credit described in Subsection (1) for the taxable year indicated on the tax credit certificate issued in accordance with Section 53E-7-407.

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- 2038 (3) A taxpayer may not claim the tax credit described in Subsection (1) for a donation to the extent the taxpayer claims the donation as a deduction or credit against the {taxpayers} taxpayer's federal income taxes for any taxable year.
- 2041 ~~[(2) If the amount of a tax credit listed on the tax credit certificate exceeds a taxpayer's liability under this chapter for a taxable year, the taxpayer:]~~
- 2043 ~~[(a) may carry forward the amount of the tax credit exceeding the liability for a period that does not exceed the next three taxable years; and]~~
- 2045 ~~[(b) may carry back the amount of the tax credit that exceeds the taxpayer's tax liability to the previous taxable year.]~~
- 1052 Section 10. Section **59-10-1041** is amended to read:
- 1053 **59-10-1041. Nonrefundable tax credit for a donation to the Carson Smith Opportunity Scholarship Program.**
- 2050 (1) Except as provided in Subsection (3), a claimant, estate, or trust that makes a donation to the Carson Smith Opportunity Scholarship Program established in Section 53E-7-402 may claim a nonrefundable tax credit equal to 100% of the amount stated on a tax credit certificate issued in accordance with Section 53E-7-407.
- 2054 (2) The tax credit described in Subsection (1) may be claimed for the taxable year indicated on the tax credit certificate issued in accordance with Section 53E-7-407.
- 2056 (3) A claimant, estate, or trust may not claim the tax credit described in Subsection (1) for a donation to the extent the claimant, estate, trust claims the donation as a deduction or credit against the {claimants} claimant's, {estates} estate's, or {trusts} trust's federal income taxes for any taxable year.
- 2059 ~~[(2) If the amount of a tax credit listed on the tax credit certificate exceeds a claimant's, estate's, or trust's tax liability under this chapter for a taxable year, the claimant, estate, or trust:]~~
- 2062 ~~[(a) may carry forward the amount of the tax credit exceeding the liability for a period that does not exceed the next three taxable years; and]~~
- 2064 ~~[(b) may carry back the amount of the tax credit that exceeds the claimant's, estate's, or trust's tax liability to the previous taxable year.]~~
- 2066 ~~[(3) A claimant, estate, or trust may not claim a credit described in Subsection (1) to the extent the claimant, estate, or trust claims a donation described in Subsection (1) as an itemized deduction on the claimant's, estate's, or trust's federal individual income tax return for that taxable year.]~~

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1075 Section 11. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

1077 Section 12. **Retrospective Operation.**

Retrospective operation.

The following sections have retrospective operation for a taxable year starting on or after :

2075 (1) Section 59-1-403 (Effective 05/06/26) (Applies beginning 01/01/26) (Partially Repealed 07/01/29);

2076 (2) Section 59-7-625 (Effective 05/06/26) (Applies beginning 01/01/26); and

2077 (3) Section 59-10-1041 (Effective 05/06/26) (Applies beginning 01/01/26).

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