

HB0405S01 compared with HB0405

{Omitted text} shows text that was in HB0405 but was omitted in HB0405S01
inserted text shows text that was not in HB0405 but was inserted into HB0405S01

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1

State Purchasing Reserve Funding
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Ken Ivory
Senate Sponsor:

2

3 **LONG TITLE**

4 **General Description:**

5 This bill modifies provisions related to state purchasing.

6 **Highlighted Provisions:**

7 This bill:

8 ▶ establishes an administrative fee on state cooperative contracts;

9 ▶ deposits revenue from the administrative fee into a restricted account called the State Purchasing

10 Reserve Restricted Account (account);

11 ▶ directs the state treasurer to invest money in the account in precious metals; and

12 ▶ authorizes the money in the account to be used for the purpose of offsetting the cost of

13 procuring goods and services for specified public entities and ensuring continuity in the public entities'

14 procurement of goods and services, if certain inflation metrics are met.

15 **Money Appropriated in this Bill:**

16 None

17 **Other Special Clauses:**

18 None

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19 **Utah Code Sections Affected:**

20 AMENDS:

21 **51-7-2 (Effective 05/06/26) (Partially Repealed 07/01/28)**, as last amended by Laws of Utah
2025, First Special Session, Chapter 9

23 **63G-6a-2105 (Effective 05/06/26)**, as last amended by Laws of Utah 2016, Chapters 348, 355

25 ENACTS:

26 **67-4-20 (Effective 05/06/26)**, Utah Code Annotated 1953

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

29 Section 1. Section **51-7-2** is amended to read:

30 **51-7-2. (Effective 05/06/26) (Partially Repealed 07/01/28)Exemptions from chapter.**

32 (1) Except as provided in Subsection (2), the following funds are exempt from this chapter:

33 (a) funds invested in accordance with the participating employees' designation or direction pursuant to a
public employees' deferred compensation plan established and operated in compliance with Section
457 of the Internal Revenue Code of 1986, as amended;

37 (b) funds of the Utah State Retirement Board;

38 (c) funds of the Utah Housing Corporation;

39 (d) endowment funds of higher education institutions, including funds of the Higher Education Student
Success Endowment, created in Section 53H-8-402;

41 (e) permanent and other land grant trust funds established pursuant to the Utah Enabling Act and the
Utah Constitution;

43 (f) the State Post-Retirement Benefits Trust Fund;

44 (g) the funds of the Utah Educational Savings Plan;

45 (h) funds of the permanent state trust fund created by and operated under Utah
Constitution, Article XXII, Section 4;

47 (i) the funds in the Navajo Trust Fund;

48 (j) the funds in the Radioactive Waste Perpetual Care and Maintenance Account;

49 (k) the funds in the Employers' Reinsurance Fund;

50 (l) the funds in the Uninsured Employers' Fund;

51 (m) the Utah State Developmental Center Long-Term Sustainability Fund, created in Section
26B-1-331;

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- 53 (n) the funds in the Risk Management Fund created in Section 63A-4-201;
- 54 (o) the Utah fund of funds created in Section 63N-6-401;
- 55 (p) the funds deposited into the Utah Homes Investment Program from the Transportation Infrastructure
General Fund Support Subfund created in Section 72-2-134;
- 58 (q) subject to Subsection 67-4-19(2), the portion of the funds in the following accounts invested by the
state treasurer in precious metals:
 - 60 (i) the State Disaster Recovery Restricted Account, created in Section 53-2a-603;
 - 61 (ii) the General Fund Budget Reserve Account, created in Section 63J-1-312;
 - 62 (iii) the Income Tax Fund Budget Reserve Account, created in Section 63J-1-313; and
 - 63 (iv) the Medicaid Growth Reduction and Budget Stabilization Account, created in Section 63J-1-315;
- 65 (r) except as provided in Section 11-13-533, the funds of a public agency insurance mutual as that term
is defined in Subsection 31A-1-103(7)(a);
- 67 (s) the State Sovereignty Fund created in Section 51-13-201;[and]
- 68 (t) the funds in the Opioid Litigation Proceeds Fund, created in Section [51-9-801.] 51-9-801; and
- 70 (u) the State Purchasing Reserve Restricted Account, created in Section 67-4-20.

71 (2) Except for the funds of the Utah State Retirement Board and the Utah Educational Savings Plan, the
funds described in Subsection (1) are not exempt from Subsections 51-7-14(2) and (3).

74 (3) Notwithstanding Title 52, Chapter 4, Open and Public Meetings Act, a public body that administers
a fund described in Subsection (1) may hold a closed meeting to discuss the sale or purchase of
identifiable securities, investment funds, or investment contracts.

77 (4) A paper, electronic, or other depiction or record of information relating to investment activities of a
fund described in Subsection (1) is not subject to Title 63G, Chapter 2, Government Records Access
and Management Act.

80 Section 2. Section **63G-6a-2105** is amended to read:

**63G-6a-2105. Cooperative procurements -- Contracts with federal government -- Regional
solicitations.**

83 (1)

(a) The chief procurement officer may, in accordance with the requirements of this chapter, enter into
a cooperative procurement, and a contract that is awarded as a result of a cooperative procurement,
with:

- 86 [(a)] (i) another state;

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87 [({b})] (ii) a cooperative purchasing organization;[or]
88 [({e})] (iii) a public entity[inside or outside the state.] ; or
89 (iv) a government entity outside the state.

90 (b)

- 95 (i) Except for a contract the chief procurement officer exempts from administrative fees, the chief procurement officer shall ensure that each contract resulting from a state cooperative procurement with a public entity includes an administrative fee equal to 0.5% of the total price the public entity pays for procurement items under the contract.
- 98 (ii) The fee described in Subsection (1)(b)(i) is in addition to any administrative fee the chief procurement officer includes under the chief procurement officer's authority described in Subsection 63G-6a-303(2)(b).
- 101 (iii) The division shall deposit revenue from the administrative fee described in this Subsection (1)(b) into the State Purchasing Reserve Restricted Account created in Section 67-4-20.
- 104 {(2)} The provisions of this Subsection (1)(b) apply only to contracts for which the chief procurement officer posts the notice required under Section 63G-6a-112 on or after July 1, 2026.
- 108 (2) A public entity, nonprofit organization, or, as permitted under federal law, an agency of the federal government, may obtain a procurement item from a state cooperative contract or a contract awarded by the chief procurement officer under Subsection [({1})] (1)(a), without signing a participating addendum if the solicitation issued by the chief procurement officer to obtain the contract includes a statement indicating that the resulting contract will be issued for the benefit of public entities and, as applicable, nonprofit organizations and agencies of the federal government.
- 114 (3) Except as provided in Section 63G-6a-506, or as otherwise provided in this chapter, an executive branch procurement unit may not obtain a procurement item from a source other than a state cooperative contract or a contract awarded by the chief procurement officer under Subsection [({1})] (1)(a), if the procurement item is available under a state cooperative contract or a contract awarded by the chief procurement officer under Subsection [({1})] (1)(a).
- 115 (4) A Utah procurement unit may:
 - (a) contract with the federal government without going through a standard procurement process or an exception to a standard procurement process, described in Part 8, Exceptions to Procurement Requirements, if the procurement item obtained under the contract is provided:
 - 119 (i) directly by the federal government and not by a person contracting with the federal government; or

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- 121 (ii) by a person under contract with the federal government that obtained the contract in a manner that
122 substantially complies with the provisions of this chapter;
- 123 (b) participate in, sponsor, conduct, or administer a cooperative procurement with another Utah
124 procurement unit or another public entity in Utah, if:
 - 125 (i) each party unit involved in the cooperative procurement enters into an agreement describing the
126 rights and duties of each party;
 - 127 (ii) the procurement is conducted, and the contract awarded, in accordance with the requirements of this
128 chapter;
 - 129 (iii) the solicitation:
 - 130 (A) clearly indicates that the procurement is a cooperative procurement; and
 - 131 (B) identifies each party that may purchase under the resulting contract; and
 - 132 (iv) each party involved in the cooperative procurement signs a participating addendum describing its
133 rights and obligations in relation to the resulting contract; or
 - 134 (c) purchase under, or otherwise participate in, an agreement or contract of a cooperative purchasing
135 organization, if:
 - 136 (i) each party involved in the cooperative procurement enters into an agreement describing the rights
137 and duties of each party;
 - 138 (ii) the procurement was conducted in accordance with the requirements of this chapter;
 - 139 (iii) the solicitation:
 - 140 (A) clearly indicates that the procurement is a cooperative procurement; and
 - 141 (B) identifies each party that may purchase under the resulting contract; and
 - 142 (iv) each party involved in the cooperative procurement signs a participating addendum describing its
143 rights and obligations in relation to the resulting contract.
 - 144 (5) A procurement unit may not obtain a procurement item under a contract that results from a
145 cooperative procurement described in Subsection (4), unless the procurement unit:
 - 146 (a) is identified under Subsection (4)(b)(iii)(B) or (4)(c)(iii)(B); and
 - 147 (b) signs a participating addendum to the contract as required by this section.
 - 148 (6) A procurement unit, other than a legislative procurement unit or a judicial procurement unit,
149 may not obtain a procurement item under a contract held by the United States General Services
150 Administration, unless, based upon documentation provided by the procurement unit, the Director of
151 the State Division of Purchasing and General Services determines in writing that the United States

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General Services Administration procured the contract in a manner that substantially complies with the provisions of this chapter.

157 (7)

- (a) As used in this Subsection (7), "regional solicitation" means a solicitation issued by the chief procurement officer for the procurement of a procurement item within a specified geographical region of the state.
- (b) In addition to any other duty or authority under this section, the chief procurement officer shall:
 - (i) after considering board recommendations, develop a plan for issuing regional solicitations; and
 - (ii) after developing a plan, issue regional solicitations for procurement items in accordance with the plan and this chapter.
- (c) A plan under Subsection (7)(b) shall:
 - (i) define the proposed regional boundaries for regional solicitations;
 - (ii) specify the types of procurement items for which a regional solicitation may be issued; and
 - (iii) identify the regional solicitations that the chief procurement officer plans to issue.
- (d) A regional solicitation shall require that a person responding to the solicitation offer similar warranties and submit to similar obligations as are standard under other state cooperative contracts.
- (e) Except as authorized by the chief procurement officer, a procurement item that is available under a state cooperative contract may not be provided under a contract pursuant to a regional solicitation until after the expiration of the state cooperative contract.

181 Section 3. Section 3 is enacted to read:

182 **67-4-20. State Purchasing Reserve Restricted Account.**

- (1) As used in this section, "precious metal" means the same as that term is defined in Section 61-1-13.
- (2) There is created within the General Fund a restricted account known as the State Purchasing Reserve Restricted Account.
- (3) The account is funded by:
 - (a) revenue from the fee created in Subsection 63G-6a-2105(1)(b); and
 - (b) the appreciated value of investments made with the money deposited into the account.
- (4)
 - (a) The state treasurer shall invest the money in the account in precious metals.
 - (b) The requirements of Subsections 51-7-14(2) and (3) apply to the state treasurer's investment in precious metals under this section.

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191 (5)

192 (a) The Legislature may appropriate money from the account:

193 (i) if the Chained Consumer Price Index is at least two standard deviations above the 15 year mean
of the Chained Consumer Price Index; and

194 (ii) for the purpose of offsetting the cost of procuring goods and services for public entities and
ensuring continuity in public entities' procurement of goods and services.

197 (b) When appropriating money from the account, the Legislature shall make reasonable efforts in light
of the circumstances to ensure the appropriated money benefits each public entity that participates in
a state cooperative procurement.

200 (6) When the Legislature appropriates money from the account, the state treasurer shall sell investments
sufficient to effectuate the appropriation.

205 Section 4. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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