

HB0521S01 compared with HB0521

~~{Omitted text}~~ shows text that was in HB0521 but was omitted in HB0521S01

inserted text shows text that was not in HB0521 but was inserted into HB0521S01

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1 Public Education Economic Stabilization Restricted Account Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Neil Walter

Senate Sponsor:



2

3 **LONG TITLE**

4 **General Description:**

5 This bill requires the appropriation of a certain amount of funds in the Public Education
6 Economic Stabilization Restricted Account to a new trust fund for public education.

7 **Highlighted Provisions:**

8 This bill:

- 9 ▶ establishes the Public Education Economic Stabilization Trust Fund (trust fund) that the state
treasurer manages;
- 11 ▶ provides the duties and authority of the state treasurer regarding the trust fund;
- 12 ▶ exempts the trust fund from the Money Management Act;
- 12 ▶ requires the appropriation of a certain amount of funds in the Public Education Economic
Stabilization Restricted Account to the trust fund before other statutory one-time appropriations;
- 15 ▶ corrects the application of a certain minimum appropriation; and
- 16 ▶ makes technical and conforming changes.

18 **Money Appropriated in this Bill:**

19 None

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20 **Other Special Clauses:**

21 This bill provides a special effective date.

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **51-7-2 (Effective 07/01/26) (Partially Repealed 07/01/28), as last amended by Laws of Utah
2025, First Special Session, Chapter 9**

26 **53F-9-204 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapters 413, 433

28 ENACTS:

29 **53F-9-207 (Effective 07/01/26)**, Utah Code Annotated 1953

30

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

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

33 **51-7-2. Exemptions from chapter.**

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

36 (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;

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

41 (c) funds of the Utah Housing Corporation;

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

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

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

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

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

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

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

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

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

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- 54 (m) the Utah State Developmental Center Long-Term Sustainability Fund, created in Section
26B-1-331;
- 56 (n) the funds in the Risk Management Fund created in Section 63A-4-201;
- 57 (o) the Utah fund of funds created in Section 63N-6-401;
- 58 (p) the funds deposited into the Utah Homes Investment Program from the Transportation Infrastructure
General Fund Support Subfund created in Section 72-2-134;
- 61 (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:
- 63 (i) the State Disaster Recovery Restricted Account, created in Section 53-2a-603;
- 64 (ii) the General Fund Budget Reserve Account, created in Section 63J-1-312;
- 65 (iii) the Income Tax Fund Budget Reserve Account, created in Section 63J-1-313; and
- 66 (iv) the Medicaid Growth Reduction and Budget Stabilization Account, created in Section 63J-1-315;
- 68 (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);
- 70 (s) the State Sovereignty Fund created in Section 51-13-201;~~and~~
- 71 (t) the funds in the Opioid Litigation Proceeds Fund, created in Section 51-9-801[-] ; and
- 72 (u) the Public Education Economic Stabilization Trust Fund, created in Section 53F-9-207.
- 74 (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).
- 77 (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.
- 80 (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.

83 Section 2. Section **53F-9-204** is amended to read:

84 **53F-9-204. (Effective 07/01/26)Public Education Economic Stabilization Restricted
Account.**

30 (1) There is created within the Uniform School Fund a restricted account known as the "Public
Education Economic Stabilization Restricted Account."

32 (2)

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- (a) Except as provided in Subsection (2)(b), the account shall be funded from the following revenue sources:
- 34 (i) 15% of the difference between, as determined by the Office of the Legislative Fiscal Analyst:
- 36 (A) the estimated amount of ongoing Income Tax Fund and Uniform School Fund revenue available for
the Legislature to appropriate for the next fiscal year; and
- 38 (B) the amount of ongoing appropriations from the Income Tax Fund and Uniform School Fund in the
current fiscal year; and
- 40 (ii) other appropriations as the Legislature may designate.
- 41 (b) If the appropriation described in Subsection (2)(a) would cause the ongoing appropriations to the
account to exceed 11% of Uniform School Fund appropriations described in Section 53F-9-201.1
for the same fiscal year, the Legislature shall appropriate only those funds necessary to ensure that
the ongoing appropriations to the account equal 11% of Uniform School Fund appropriations for
that fiscal year.
- 46 (3) Subject to the availability of ongoing appropriations to the account, in accordance with Utah
Constitution, Article X, Section 5, Subsection (4), the ongoing appropriation to the account shall be
used to fund:
- 49 (a) except for a year described in Subsection (3)(b) or (c)[, -] :
- 50 (i) for a fiscal year beginning on or after July 1, 2027, an appropriation of \$350,000,000 to the Public
Education Economic Stabilization Trust Fund established in Section 53F-9-207; and
- 53 (ii) using remaining funds after the use described in Subsection (3)(a)(i), for the one-time appropriations
to the public education system, including at least \$65,000,000 to the Catalyst Center Grant Program
described in Section 53E-3-507.1;
- 57 (b) the Minimum School Program for a year in which Income Tax Fund revenue and Uniform School
Fund revenue are insufficient to fund:
- 59 (i) ongoing appropriations to the public education system; and
- 60 (ii) enrollment growth and inflation estimates, as defined in Section 53F-9-201.1; and
- 61 (c) the minimum basic local amount as defined in Section 53F-2-301 for a year in which the minimum
basic tax rate, as defined in Section 53F-2-301, is insufficient to generate the amount described in
Subsection 53F-2-301(2)(a).
- 64 (4)
- (a) The account shall earn interest.

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- 65 (b) All interest earned on account money shall be deposited in the account.
- 66 (5) On or before December 31, 2023, and every three years thereafter, the Office of the Legislative
Fiscal Analyst shall:
- 68 (a) review the percentages described in Subsections (2)(a)(i) and (2)(b); and
- 69 (b) recommend to the Executive Appropriations Committee any changes based on the review described
in Subsection (5)(a).
- 71 (6) In preparing budget bills for a given fiscal year, the Executive Appropriations Committee shall
make the one-time appropriations described in Subsection (3)(a) by appropriating[~~at least the lesser
of 10% of the total amount of the one-time appropriations to~~]:
- 75 (a) at least the lesser of 10% of the total amount of the one-time appropriations or the cost of providing
32 paid professional hours for teachers in accordance with Section 53F-7-203;
- 78 (b) the amount to make the distribution required under Section 53F-2-527;
- 79 (c) the cost of the Stipends for Future Educators Grant Program described in Section 53F-5-223; and
- 81 (d) the cost of the Rural School Sports Facilities Grant Program described in Section 53F-10-303.
- 83 (7) No later than October 15 of each year, the state board shall report to the Office of the Legislative
Fiscal Analyst an estimated cost for each of the one-time appropriations described in Subsection (6).

142 Section 3. Section 3 is enacted to read:

143 **53F-9-207. (Effective 07/01/26)Public Education Economic Stabilization Trust Fund.**

- 88 (1) As used in this section:
- 89 (a) "Income" means the revenues received by the state treasurer from investments of the trust fund
principal.
- 91 (b) "Trust fund" means the Public Education Economic Stabilization Trust Fund that this section
creates.
- 93 (2) This section creates the Public Education Economic Stabilization Trust Fund.
- 94 (3) The trust fund consists of:
- 95 (a) appropriations from the Public Education Economic Stabilization Restricted Account described in
Subsection 53F-9-204(3);
- 97 (b) other appropriations the Legislature makes to the trust fund;
- 98 (c) income; and
- 99 (d) revenue received from other sources.
- 100 (4) The Division of Finance shall account for the receipt and expenditures of trust fund money.

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102 (5)

(a) The state treasurer shall invest the assets of the trust fund, as a prudent investor would, with the primary goal of providing for the stability, income, and growth of the principal.

105 (b) Nothing in this section requires a specific outcome in investing.

106 (c) The state treasurer may deduct any administrative costs incurred in managing trust fund assets from earnings before distributing the trust fund assets.

108 (d)

(i) The state treasurer may employ professional asset managers to assist in the investment of assets of the trust fund.

110 (ii) The treasurer may only provide compensation to asset managers from earnings generated by the trust fund's investments.

112 (e)

(i) The trust fund shall earn interest.

113 (ii) The state treasurer shall deposit all interest or other income earned from investment of the trust fund back into the trust fund.

115 (6) The Legislature may make appropriations related to public education from the trust fund or otherwise provide authorized public education uses of money in the trust fund.

174 Section 4. **Effective date.**

Effective Date.

This bill takes effect on July 1, 2026.

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