

Primary and Secondary Education Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Trevor Lee

Senate Sponsor:

LONG TITLE**General Description:**

This bill defines character education and creates restraints on a local education agency regarding the use of character education.

Highlighted Provisions:

This bill:

- defines terms;
- repeals certain requirements related to:
 - civics education; and
 - character education;
- prohibits certain local education agency personnel from providing character education to a student in most instances;
- provides that this bill does not affect certain individual rights;
- requires the state auditor to:
 - receive certain reports;
 - conduct certain investigations; and
 - enforce the provisions of the section;
- creates a private right of action;
- prohibits the State Board of Education from creating certain rules related to character education; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

53E-9-203, as last amended by Laws of Utah 2024, Chapter 23

31 **53F-4-207**, as last amended by Laws of Utah 2024, Chapter 23

32 **67-3-1**, as last amended by Laws of Utah 2025, First Special Session, Chapter 17

33 REPEALS AND REENACTS:

34 **53G-10-204**, as last amended by Laws of Utah 2022, Chapter 229

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

37 Section 1. Section **53E-9-203** is amended to read:

38 **53E-9-203 . Activities prohibited without prior written consent -- Validity of**
39 **consent -- Qualifications -- Training on implementation.**

40 (1)(a) Except as provided in Subsection (8), Section 53G-9-604, and Section 53G-9-702,
41 an LEA shall include in policies the LEA adopts under Section 53E-9-202_a
42 requirement for obtaining prior written consent from the student's parent when
43 administering to a student:

- 44 (i) any psychological or psychiatric examination, test, or treatment; and
- 45 (ii) any survey, analysis, or evaluation in which the purpose or effect is to cause the
46 student to reveal information, whether the information is personally identifiable or
47 not, concerning the student's or any family member's:
 - 48 (A) political affiliations or, except as provided under Section 53G-10-202 or rules
49 of the state board, political philosophies;
 - 50 (B) mental or psychological problems;
 - 51 (C) sexual behavior, orientation, gender identity, or attitudes;
 - 52 (D) illegal, anti-social, self-incriminating, or demeaning behavior;
 - 53 (E) critical appraisals of individuals with whom the student or family member has
54 close family relationships;
 - 55 (F) religious affiliations or beliefs;
 - 56 (G) legally recognized privileged and analogous relationships, such as those with
57 lawyers, medical personnel, or ministers; and
 - 58 (H) income, except as required by law.

59 (b) An LEA shall annually obtain prior written consent for the following at the time a
60 student registers with the LEA:

- 61 (i) surveys related to an early warning system described in Section 53F-4-207; and
- 62 ~~[(ii) surveys that include social-emotional learning questions; and]~~
- 63 ~~[(iii)]~~ (ii) the school climate survey described in Section 53G-8-802.

64 (c) An LEA shall comply with the prohibitions on character education described in

Section 53G-10-204.

- (2) Prior written consent under Subsection (1) is required in all grades, kindergarten through grade 12.
- (3) Except as provided in Subsection (8), Section 53G-9-604, and Section 53G-9-702, the requirements under Subsection (1) shall also apply within the curriculum and other school activities unless prior written consent of the student's parent has been obtained.
- (4) An LEA may not:
- (a) use the prior written consent described in Subsection (1) that a different LEA obtained for a student who transfers to the LEA after the beginning of the school year; or
 - (b) provide:
 - (i) a reward to a student for a student's participation in any psychological or psychiatric examination, test, treatment, survey, analysis, or evaluation; or
 - (ii) a consequence to a student for a student's lack of participation in any psychological or psychiatric examination, test, treatment, survey, analysis, or evaluation.
- (5)(a) Written parental consent is valid only if a parent has been first given written notice, including notice that a copy of the educational or student survey questions to be asked of the student in obtaining the desired information is made available at the school, and a reasonable opportunity to obtain written information concerning:
- (i) records or information, including information about relationships, that may be examined or requested;
 - (ii) the means by which the records or information shall be examined or reviewed;
 - (iii) the means by which the information is to be obtained;
 - (iv) the purposes for which the records or information are needed;
 - (v) the entities or persons, regardless of affiliation, who will have access to the personally identifiable information; and
 - (vi) a method by which a parent of a student can grant permission to access or examine the personally identifiable information.
- (b) For a survey described in Subsection (1), the LEA shall ensure that the written notice described in Subsection (5)(a) includes:
- (i) the survey the LEA will administer to the parent's student;
 - (ii) the intended purposes and uses of the data collected;
 - (iii) the types of persons or governmental entities that:

- 99 (A) share the collected data, including a list of recipients who will receive the
100 student-level data; or
- 101 (B) receive the data collected from a governmental entity on a regular or
102 contractual basis; and
- 103 (iv) the record series as defined in Section 63G-2-103 in which the data is or will be
104 included, if applicable.
- 105 (6)(a) Except in response to a situation which a school employee reasonably believes to
106 be an emergency, as authorized under Title 80, Chapter 2, Part 6, Child Abuse and
107 Neglect Reports, by order of a court, or as described in Subsection (1)(b), disclosure
108 to a parent must be given at least two weeks before information protected under this
109 section is sought.
- 110 (b) Following disclosure, a parent may waive the two week minimum notification period.
- 111 (c) Unless otherwise agreed to by a student's parent and the person requesting written
112 consent, the authorization is valid only for the activity for which it was granted.
- 113 (d) A written withdrawal of authorization submitted to the school principal by the
114 authorizing parent terminates the authorization.
- 115 (e) A general consent used to approve admission to school or involvement in special
116 education, remedial education, or a school activity does not constitute written consent
117 under this section.
- 118 (7)(a) This section does not limit the ability of a student under Section 53G-10-203 to
119 spontaneously express sentiments or opinions otherwise protected against disclosure
120 under this section.
- 121 (b)(i) If a school employee or agent believes that a situation exists which presents a
122 serious threat to the well-being of a student, that employee or agent shall notify
123 the student's parent without delay.
- 124 (ii) If, however, the matter has been reported to the Division of Child and Family
125 Services within the Department of Human Services, it is the responsibility of the
126 division to notify the student's parent of any possible investigation, prior to the
127 student's return home from school.
- 128 (iii) The division may be exempted from the notification requirements described in
129 this Subsection (7)(b)(ii) only if it determines that the student would be
130 endangered by notification of the student's parent, or if that notification is
131 otherwise prohibited by state or federal law.
- 132 (8)(a) If a school employee, agent, or school resource officer believes a student is at-risk

of attempting suicide, physical self-harm, or harming others, the school employee, agent, or school resource officer may intervene and ask a student questions regarding the student's suicidal thoughts, physically self-harming behavior, or thoughts of harming others for the purposes of:

- (i) referring the student to appropriate prevention services; and
- (ii) informing the student's parent.

(b) An LEA shall develop and adopt a policy regarding intervention measures consistent with Subsection (8)(a) while requiring the minimum degree of intervention to accomplish the goals of this section.

(9) An LEA governing board shall provide inservice for teachers and administrators on the implementation of this section.

(10) The state board shall provide procedures for disciplinary action for violations of this section.

(11) Data collected from a survey described in Subsection (1):

- (a) is a private record as provided in Section 63G-2-302;
- (b) may not be shared except in accordance with the Family Educational Rights and Privacy Act, 20 U.S.C. Sec. 1232g;
- (c) may only be used by an individual, organization, or governmental entity, including the state board, for the purposes identified in the notice described in Subsection (5); and
- (d) may not be included in a student's Student Achievement Backpack, as that term is defined in Section 53E-3-511.

Section 2. Section **53F-4-207** is amended to read:

53F-4-207 . Student intervention early warning program.

(1) As used in this section:

- (a) "Digital program" means a program that provides information for student early intervention as described in this section.
- (b) "Online data reporting tool" means a system described in Section 53E-4-311.

(2)(a) The state board shall, subject to legislative appropriations:

- (i) subject to Subsection (2)(c), enhance the online data reporting tool and provide additional formative actionable data on student outcomes; and
- (ii) select through a competitive contract process a provider to provide to an LEA a digital program as described in this section.

(b) Information collected or used by the state board for purposes of enhancing the online

167 data reporting tool in accordance with this section may not identify a student
168 individually.

169 (c) The state board shall make rules in accordance with Title 63G, Chapter 3, Utah
170 Administrative Rulemaking Act, to define the primary exceptionalities described in
171 Subsection (3)(e)(ii).

172 (3) The enhancement to the online data reporting tool and the digital program shall:

173 (a) be designed with a user-appropriate interface for use by teachers, school
174 administrators, and parents;

175 (b) provide reports on a student's results at the student level on:

176 (i) a national assessment;

177 (ii) a local assessment; and

178 (iii) a standards assessment described in Section 53E-4-303;

179 (c) have the ability to provide data from aggregate student reports based on a student's:

180 (i) teacher;

181 (ii) school;

182 (iii) school district, if applicable; or

183 (iv) ethnicity;

184 (d) provide a viewer with the ability to view the data described in Subsection (2)(c) on a
185 single computer screen;

186 (e) have the ability to compare the performance of students, for each teacher, based on a
187 student's:

188 (i) gender;

189 (ii) special needs, including primary exceptionality as defined by state board rule;

190 (iii) English proficiency;

191 (iv) economic status;

192 (v) migrant status;

193 (vi) ethnicity;

194 (vii) response to tiered intervention;

195 (viii) response to tiered intervention enrollment date;

196 (ix) absence rate;

197 (x) feeder school;

198 (xi) type of school, including primary or secondary, public or private, Title I, or other
199 general school-type category;

200 (xii) course failures; and

- (xiii) other criteria, as determined by the state board; and
- (f) have the ability to load data from a local, national, or other assessment in the data's original format within a reasonable time.
- (4) Subject to legislative appropriations, the online data reporting tool and digital program shall:
- (a) integrate criteria for early warning indicators, including the following criteria:
- (i) discipline, including school safety violations;
- (ii) attendance;
- (iii) behavior;
- (iv) course failures; and
- (v) other criteria as determined by a local school board or charter school governing board, which may not include character education as that term is defined in Section 53G-10-204;
- (b) provide a teacher or administrator the ability to view the early warning indicators described in Subsection (4)(a) with a student's assessment results described in Subsection (3)(b);
- (c) provide data on response to intervention using existing assessments or measures that are manually added, including assessment and nonacademic measures;
- (d) provide a user the ability to share interventions within a reporting environment and add comments to inform other teachers, administrators, and parents;
- (e) save and share reports among different teachers and school administrators, subject to the student population information a teacher or administrator has the rights to access;
- (f) automatically flag a student profile when early warning thresholds, that the state board defines, are met so that a teacher can easily identify a student who may be in need of intervention;
- (g) incorporate a variety of algorithms to support student learning outcomes and provide student growth reporting by teacher;
- (h) integrate response to intervention tiers and activities as filters for the reporting of individual student data and aggregated data, including by ethnicity, school, or teacher;
- (i) have the ability to generate parent communication to alert the parent of plans or interventions; and
- (j) configure alerts based upon student academic results, including a student's performance on the previous year's standards assessment described in Section 53E-4-303 or results to appropriate behavior interventions.

- (5)(a) The state board shall ensure that each LEA receives access to a digital program through a provider described in Subsection (2)(a)(ii).
- (b) An LEA shall:
- (i) pay for 50% of the cost of providing access to the digital program to the LEA; and
 - (ii) no later than one school year after accessing a digital program, report to the state board in a format required by the state board on:
 - (A) the effectiveness of the digital program;
 - (B) positive and negative attributes of the digital program;
 - (C) recommendations for improving the online data reporting tool; and
 - (D) any other information regarding a digital program requested by the state board.
- (c) The state board shall consider recommendations from an LEA for changes to the online data reporting tool.
- (6) A person shall provide or use information described in this section [-]in accordance with[-]:
- (a) Title 53E, Chapter 9, Student Privacy and Data Protection;
 - (b) Family Education Rights and Privacy Act, 20 U.S.C. Sec. 1232g;[-and]
 - (c) the parental consent requirements in Section 53E-9-203[-] ; and
 - (d) the prohibitions on character education described in Section 53G-10-204.
- (7)(a) A parent or guardian may opt the parent's or guardian's student into participating in a survey prepared by an LEA's online data reporting tool described in this section.
- (b) An LEA shall provide notice to a parent of:
- (i) the administration of a survey described in Subsection (7)(a);
 - (ii) if applicable, that the survey may request information from students that is non-academic in nature;
 - (iii) where the parent may access the survey described in Subsection (7)(a) to be administered; and
 - (iv) the opportunity to opt a student out of participating in a survey as described in Subsection (7)(a).
- (c) An LEA shall annually provide notice to parents and guardians on how the LEA uses student data through the online data reporting tool to provide instruction and intervention to students.
- (8) An LEA may use a different platform from the platform described in Subsection (2)(a)(ii) if the different platform accomplishes the requirements of this section.
- Section 3. Section **53G-10-204** is repealed and reenacted to read:
- 53G-10-204 . Character education restrictions -- Constitutional protections --**

Private right of action.(1) As used in this section:

(a) "Administrative personnel" means the same as that term defined in Section 53G-10-206.

(b)(i) "Character education" means social emotional learning developed by any public or private source which is aligned or related to current or historical frameworks or models, including those from the Collaborative for Academic Social and Emotional Learning [CASEL], the Harvard University EASEL Lab, or civil society organizations and:

(A) includes a wide array of interpersonal or intrapersonal competencies or skills organized into cognitive, emotional, metacognitive, psychosocial, social, or spiritual domains to shape attitudes, beliefs, or mindsets or to develop character, dispositions, identity, or values;

(B) is referred to by an array of terms, including 21st century skills, competencies, civic or family engagement, durable skills, lifelong learning skills, interventions, non-academic skills, social skills, soft skills, subjective skills, personalized learning, or wellbeing;

(C) establishes practices or rituals related to existential meaning or purpose; or

(D) uses speech-ranking indexes or tools to establish or measure the social or emotional value or effect of communication.

(ii) "Character education" does not include specific provisions a parent designates for the parent's student's IEP or 504 accommodation plan which are consistent with the Individuals with Disabilities Education Act or Section 504 of the Rehabilitation Act of 1973 as amended in the area of public elementary and secondary education.

(c) "Instructional personnel" means the same as that term is defined in Section 53G-10-206.

(d) "Student" means a student in pre-kindergarten through grade 12 who is:

(i) enrolled in a public school; or

(ii) a participant in a public school program.

(2) The provisions of this Subsection (2) are non-severable from this section:

(a) the public education system shall be free from sectarian control, in accordance with Utah Constitution, Article X, Section 1;

(b) no religious or partisan test or qualification shall be required as a condition of

admission or attendance in the state's education system, in accordance with Utah Constitution, Article X, Section 8;

(c) sectarian control and partisan tests can be either religious or secular in nature;

(d) the Free Exercise Clause protects against state education institutions imposing sectarian or partisan tests, qualifications, or systems of thought and belief on students, regardless of the extent to which these align or conflict with those taught at home; and

(e) the privilege and purview to determine or provide for the character education of a child solely resides with a parent, and cannot be assumed by or ceded to the state.

(3) To serve the profound liberty interests of children and parents, and to protect against state arrogation of individual rights guaranteed by the Utah Constitution and the 1st, 4th, 9th, and 14th amendments to the United States Constitution, administrative personnel and instructional personnel may not:

(a) categorize, grade, implement, inform, measure, monitor, or track the character education of a student;

(b) coordinate or scale character education;

(c) collect data or produce information, including biometric and psychometric, on the character education of a student or students, including for distribution or use in any repository, database, or networked or interoperable system; or

(d) distribute, produce, or use student profiles, portfolios, transcripts, credentials, social credit, or other records which include character education components.

(4) Nothing in this section prohibits:

(a) administrative or instructional personnel from using basic methods of maintaining classroom order not described in Subsection (1)(b);

(b) administrative or instructional personnel from communicating an objective observation of student behavior or activity to a parent;

(c) administrative or instructional personnel from acting to protect an individual's immediate physical safety, or from notifying parents or the proper authorities as specified in state statute of personal knowledge of criminal, delinquent, or discipline-related student behavior; or

(d) an LEA from keeping and sharing records specific to the behavior described in Subsection (4)(b) with:

(i) the school or LEA at which a student is enrolled;

(ii) the parent of a student; or

(iii) the criminal justice system.

(5) The state auditor shall:

(a) establish a process to receive reports alleging a violation of Subsection (3);

(b) investigate alleged violations of Subsection (3);

(c) provide written notice of the alleged violation to the LEA responsible for employing or engaging the services of the administrative or instructional personnel;

(d) have unrestricted access to any LEA records, systems, or properties it deems necessary to obtain verification of an alleged violation of Subsection (3); and

(e) determine violations of Subsection (3) on a prima facie basis.

(6) Upon determining a violation of Subsection (3), the state auditor shall:

(a) provide a LEA a written notice of the determined violation, which:

(i) assesses the LEA an immediate fine of \$2,500; and

(ii) informs the LEA that the public entity has 14 calendar days to provide a written assurance of compliance:

(A) confirming that the LEA has remedied the violation;

(B) listing the actions the LEA has taken to remedy the violation; and

(C) committing to the LEA preventing a recurrence of the violation;

(b) publish the determined violation on a publicly-accessible dashboard of the state auditor's website, including the following information:

(i) the name of the LEA in violation of Subsection (3);

(ii) the date on which the state auditor received the report alleging a violation of Subsection (3);

(iii) the nature of the violation;

(iv) the nature of the remedy;

(v) upon receipt from the LEA, a link to a copy of the written assurance of compliance required under Subsection (6)(a)(ii); and

(vi) the compliance status of the LEA described in Subsection (6)(e)(i);

(c) assess an LEA a fine of \$10,000 for:

(i) each day for which the state auditor has not received a written assurance of compliance from the LEA in excess of the 14 calendar days described in Subsection (6)(a)(ii); and

(ii) a violation of Subsection (3) similar in nature to one that the state auditor previously determined to be a violation of Subsection (3);

(d) deposit fines received under Subsections (6)(a)(i) and (6)(c) into the General Fund;

- 371 and
- 372 (e) for an LEA with three or more determined violations of this section in a rolling
- 373 five-year period, whether distinct or repeat violations:
- 374 (i) designate, on the state auditor's website, the LEA as a non-compliant actor; and
- 375 (ii) recommend the LEA to the United States Department of Justice for a possible
- 376 violation of 18 U.S.C. 241.
- 377 (7)(a) A parent of a student affected by a violation of Subsection (3) may bring a private
- 378 right of action against an LEA for a violation of Subsection (3).
- 379 (b) A parent who brings an action described in Subsection (7)(a) is entitled to the
- 380 rebuttable presumption of Subsections (2)(d) and (2)(e).
- 381 (c) If a parent prevails in an action under Subsection (7)(a):
- 382 (i) the court shall:
- 383 (A) award reasonable costs to the parent; and
- 384 (B) require the defendant to pay the parent's attorney fees; and
- 385 (ii) the parent may recover:
- 386 (A) actual damages; and
- 387 (B) other damages the court deems reasonable.
- 388 (d) Notwithstanding Subsection (7)(a), a parent may not bring a civil action against an
- 389 employee acting in the employee's individual capacity.
- 390 (8) Notwithstanding any rulemaking authority of the state board, the state board may not
- 391 make rules regarding this section.
- 392 (9)(a) An LEA may train administrative and instructional personnel consistent with the
- 393 provisions of this section.
- 394 (b) An LEA may not use the training described in Subsection (9)(a) as an affirmative
- 395 defense in action taken under Subsection (7)(a).
- 396 Section 4. Section **67-3-1** is amended to read:
- 397 **67-3-1 . Functions and duties.**
- 398 (1)(a) The state auditor is the auditor of public accounts and is independent of any
- 399 executive or administrative officers of the state.
- 400 (b) The state auditor is not limited in the selection of personnel or in the determination
- 401 of the reasonable and necessary expenses of the state auditor's office.
- 402 (2) The state auditor shall examine and certify annually in respect to each fiscal year,
- 403 financial statements showing:
- 404 (a) the condition of the state's finances;

- (b) the revenues received or accrued;
- (c) expenditures paid or accrued;
- (d) the amount of unexpended or unencumbered balances of the appropriations to the agencies, departments, divisions, commissions, and institutions; and
- (e) the cash balances of the funds in the custody of the state treasurer.

(3)(a) The state auditor shall:

- (i) audit each permanent fund, each special fund, the General Fund, and the accounts of any department of state government or any independent agency or public corporation as the law requires, as the auditor determines is necessary, or upon request of the governor or the Legislature;
- (ii) perform the audits in accordance with generally accepted auditing standards and other auditing procedures as promulgated by recognized authoritative bodies; and
- (iii) as the auditor determines is necessary, conduct the audits to determine:
 - (A) honesty and integrity in fiscal affairs;
 - (B) accuracy and reliability of financial statements;
 - (C) effectiveness and adequacy of financial controls; and
 - (D) compliance with the law.

- (b) If any state entity receives federal funding, the state auditor shall ensure that the audit is performed in accordance with federal audit requirements.

- (c)(i) The costs of the federal compliance portion of the audit may be paid from an appropriation to the state auditor from the General Fund.

- (ii) If an appropriation is not provided, or if the federal government does not specifically provide for payment of audit costs, the costs of the federal compliance portions of the audit shall be allocated on the basis of the percentage that each state entity's federal funding bears to the total federal funds received by the state.

- (iii) The allocation shall be adjusted to reflect any reduced audit time required to audit funds passed through the state to local governments and to reflect any reduction in audit time obtained through the use of internal auditors working under the direction of the state auditor.

- (4)(a) Except as provided in Subsection (4)(b), the state auditor shall, in addition to financial audits, and as the auditor determines is necessary, conduct performance and special purpose audits, examinations, and reviews of any entity that receives public funds, including a determination of any or all of the following:

- (i) the honesty and integrity of all the entity's fiscal affairs;

- 439 (ii) whether the entity's administrators have faithfully complied with legislative intent;
440 (iii) whether the entity's operations have been conducted in an efficient, effective, and
441 cost-efficient manner;
442 (iv) whether the entity's programs have been effective in accomplishing the intended
443 objectives; and
444 (v) whether the entity's management, control, and information systems are adequate,
445 effective, and secure.
- 446 (b) The auditor may not conduct performance and special purpose audits, examinations,
447 and reviews of any entity that receives public funds if the entity:
448 (i) has an elected auditor; and
449 (ii) has, within the entity's last budget year, had the entity's financial statements or
450 performance formally reviewed by another outside auditor.
- 451 (5) The state auditor:
452 (a) shall administer any oath or affirmation necessary to the performance of the duties of
453 the auditor's office; and
454 (b) may:
455 (i) subpoena witnesses and documents, whether electronic or otherwise; and
456 (ii) examine into any matter that the auditor considers necessary.
- 457 (6) The state auditor may require all persons who have had the disposition or management
458 of any property of this state or its political subdivisions to submit statements regarding
459 the property at the time and in the form that the auditor requires.
- 460 (7) The state auditor shall:
461 (a) except where otherwise provided by law, institute suits in Salt Lake County in
462 relation to the assessment, collection, and payment of revenues against:
463 (i) persons who by any means have become entrusted with public money or property
464 and have failed to pay over or deliver the money or property; and
465 (ii) all debtors of the state;
466 (b) collect and pay into the state treasury all fees received by the state auditor;
467 (c) perform the duties of a member of all boards of which the state auditor is a member
468 by the constitution or laws of the state, and any other duties that are prescribed by the
469 constitution and by law;
470 (d) stop the payment of the salary of any state official or state employee who:
471 (i) refuses to settle accounts or provide required statements about the custody and
472 disposition of public funds or other state property;

- 473 (ii) refuses, neglects, or ignores the instruction of the state auditor or any controlling
474 board or department head with respect to the manner of keeping prescribed
475 accounts or funds; or
- 476 (iii) fails to correct any delinquencies, improper procedures, and errors brought to the
477 official's or employee's attention;
- 478 (e) establish accounting systems, methods, and forms for public accounts in all taxing or
479 fee-assessing units of the state in the interest of uniformity, efficiency, and economy;
- 480 (f) superintend the contractual auditing of all state accounts;
- 481 (g) subject to Subsection (8)(a), withhold state allocated funds or the disbursement of
482 property taxes from a state or local taxing or fee-assessing unit, if necessary, to
483 ensure that officials and employees in those taxing units comply with state laws and
484 procedures in the budgeting, expenditures, and financial reporting of public funds;
- 485 (h) subject to Subsection (9), withhold the disbursement of tax money from any county,
486 if necessary, to ensure that officials and employees in the county comply with
487 Section 59-2-303.1; and
- 488 (i) withhold state allocated funds or the disbursement of property taxes from a local
489 government entity or a limited purpose entity, as those terms are defined in Section
490 67-1a-15 if the state auditor finds the withholding necessary to ensure that the entity
491 registers and maintains the entity's registration with the lieutenant governor, in
492 accordance with Section 67-1a-15.
- 493 (8)(a) Except as otherwise provided by law, the state auditor may not withhold funds
494 under Subsection (7)(g) until a state or local taxing or fee-assessing unit has received
495 formal written notice of noncompliance from the auditor and has been given 60 days
496 to make the specified corrections.
- 497 (b) If, after receiving notice under Subsection (8)(a), a state or independent local
498 fee-assessing unit that exclusively assesses fees has not made corrections to comply
499 with state laws and procedures in the budgeting, expenditures, and financial reporting
500 of public funds, the state auditor:
- 501 (i) shall provide a recommended timeline for corrective actions;
- 502 (ii) may prohibit the state or local fee-assessing unit from accessing money held by
503 the state; and
- 504 (iii) may prohibit a state or local fee-assessing unit from accessing money held in an
505 account of a financial institution by filing an action in a court with jurisdiction
506 under Title 78A, Judiciary and Judicial Administration, requesting an order of the

- 507 court to prohibit a financial institution from providing the fee-assessing unit
508 access to an account.
- 509 (c) The state auditor shall remove a limitation on accessing funds under Subsection (8)(b)
510 upon compliance with state laws and procedures in the budgeting, expenditures, and
511 financial reporting of public funds.
- 512 (d) If a local taxing or fee-assessing unit has not adopted a budget in compliance with
513 state law, the state auditor:
- 514 (i) shall provide notice to the taxing or fee-assessing unit of the unit's failure to
515 comply;
- 516 (ii) may prohibit the taxing or fee-assessing unit from accessing money held by the
517 state; and
- 518 (iii) may prohibit a taxing or fee-assessing unit from accessing money held in an
519 account of a financial institution by:
- 520 (A) contacting the taxing or fee-assessing unit's financial institution and
521 requesting that the institution prohibit access to the account; or
- 522 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and
523 Judicial Administration, requesting an order of the court to prohibit a financial
524 institution from providing the taxing or fee-assessing unit access to an account.
- 525 (e) If the local taxing or fee-assessing unit adopts a budget in compliance with state law,
526 the state auditor shall eliminate a limitation on accessing funds described in
527 Subsection (8)(d).
- 528 (9) The state auditor may not withhold funds under Subsection (7)(h) until a county has
529 received formal written notice of noncompliance from the auditor and has been given 60
530 days to make the specified corrections.
- 531 (10)(a) The state auditor may not withhold funds under Subsection (7)(i) until the state
532 auditor receives a notice of non-registration, as that term is defined in Section
533 67-1a-15.
- 534 (b) If the state auditor receives a notice of non-registration, the state auditor may
535 prohibit the local government entity or limited purpose entity, as those terms are
536 defined in Section 67-1a-15, from accessing:
- 537 (i) money held by the state; and
- 538 (ii) money held in an account of a financial institution by:
- 539 (A) contacting the entity's financial institution and requesting that the institution
540 prohibit access to the account; or

- (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, requesting an order of the court to prohibit a financial institution from providing the entity access to an account.
- (c) The state auditor shall remove the prohibition on accessing funds described in Subsection (10)(b) if the state auditor received a notice of registration, as that term is defined in Section 67-1a-15, from the lieutenant governor.
- (11) Notwithstanding Subsection (7)(g), (7)(h), (7)(i), (8)(b), (8)(d), or (10)(b), the state auditor:
- (a) shall authorize a disbursement by a local government entity or limited purpose entity, as those terms are defined in Section 67-1a-15, or a state or local taxing or fee-assessing unit if the disbursement is necessary to:
- (i) avoid a major disruption in the operations of the local government entity, limited purpose entity, or state or local taxing or fee-assessing unit; or
- (ii) meet debt service obligations; and
- (b) may authorize a disbursement by a local government entity, limited purpose entity, or state or local taxing or fee-assessing unit as the state auditor determines is appropriate.
- (12)(a) The state auditor may seek relief under the Utah Rules of Civil Procedure to take temporary custody of public funds if an action is necessary to protect public funds from being improperly diverted from their intended public purpose.
- (b) If the state auditor seeks relief under Subsection (12)(a):
- (i) the state auditor is not required to exhaust the procedures in Subsection (7) or (8); and
- (ii) the state treasurer may hold the public funds in accordance with Section 67-4-1 if a court orders the public funds to be protected from improper diversion from their public purpose.
- (13) The state auditor shall:
- (a) establish audit guidelines and procedures for audits of local mental health and substance abuse authorities and their contract providers, conducted pursuant to Title 17, Chapter 77, Local Health and Human Services, Title 26B, Chapter 5, Health Care - Substance Use and Mental Health, and Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act; and
- (b) ensure that those guidelines and procedures provide assurances to the state that:

- 575 (i) state and federal funds appropriated to local mental health authorities are used for
576 mental health purposes;
- 577 (ii) a private provider under an annual or otherwise ongoing contract to provide
578 comprehensive mental health programs or services for a local mental health
579 authority is in compliance with state and local contract requirements and state and
580 federal law;
- 581 (iii) state and federal funds appropriated to local substance abuse authorities are used
582 for substance abuse programs and services; and
- 583 (iv) a private provider under an annual or otherwise ongoing contract to provide
584 comprehensive substance abuse programs or services for a local substance abuse
585 authority is in compliance with state and local contract requirements, and state and
586 federal law.
- 587 (14)(a) The state auditor may, in accordance with the auditor's responsibilities for
588 political subdivisions of the state as provided in Title 51, Chapter 2a, Accounting
589 Reports from Political Subdivisions, Interlocal Organizations, and Other Local
590 Entities Act, initiate audits or investigations of any political subdivision that are
591 necessary to determine honesty and integrity in fiscal affairs, accuracy and reliability
592 of financial statements, effectiveness, and adequacy of financial controls and
593 compliance with the law.
- 594 (b) If the state auditor receives notice under Subsection 11-41-104(7) from the
595 Governor's Office of Economic Opportunity on or after July 1, 2024, the state auditor
596 may initiate an audit or investigation of the public entity subject to the notice to
597 determine compliance with Section 11-41-103.
- 598 (15)(a) The state auditor may not audit work that the state auditor performed before
599 becoming state auditor.
- 600 (b) If the state auditor has previously been a responsible official in state government
601 whose work has not yet been audited, the Legislature shall:
- 602 (i) designate how that work shall be audited; and
- 603 (ii) provide additional funding for those audits, if necessary.
- 604 (16) The state auditor shall:
- 605 (a) with the assistance, advice, and recommendations of an advisory committee
606 appointed by the state auditor from among special district boards of trustees, officers,
607 and employees and special service district boards, officers, and employees:
- 608 (i) prepare a Uniform Accounting Manual for Special Districts that:

- 609 (A) prescribes a uniform system of accounting and uniform budgeting and
610 reporting procedures for special districts under Title 17B, Limited Purpose
611 Local Government Entities - Special Districts, and special service districts
612 under Title 17D, Chapter 1, Special Service District Act;
- 613 (B) conforms with generally accepted accounting principles; and
- 614 (C) prescribes reasonable exceptions and modifications for smaller districts to the
615 uniform system of accounting, budgeting, and reporting;
- 616 (ii) maintain the manual under this Subsection (16)(a) so that the manual continues to
617 reflect generally accepted accounting principles;
- 618 (iii) conduct a continuing review and modification of procedures in order to improve
619 them;
- 620 (iv) prepare and supply each district with suitable budget and reporting forms; and
- 621 (v)(A) prepare instructional materials, conduct training programs, and render other
622 services considered necessary to assist special districts and special service
623 districts in implementing the uniform accounting, budgeting, and reporting
624 procedures; and
- 625 (B) ensure that any training described in Subsection (16)(a)(v)(A) complies with
626 Title 63G, Chapter 22, State Training and Certification Requirements; and
- 627 (b) continually analyze and evaluate the accounting, budgeting, and reporting practices
628 and experiences of specific special districts and special service districts selected by
629 the state auditor and make the information available to all districts.
- 630 (17)(a) The following records in the custody or control of the state auditor are protected
631 records under Title 63G, Chapter 2, Government Records Access and Management
632 Act:
- 633 (i) records that would disclose information relating to allegations of personal
634 misconduct, gross mismanagement, or illegal activity of a past or present
635 governmental employee if the information or allegation cannot be corroborated by
636 the state auditor through other documents or evidence, and the records relating to
637 the allegation are not relied upon by the state auditor in preparing a final audit
638 report;
- 639 (ii) records and audit workpapers to the extent the workpapers would disclose the
640 identity of an individual who during the course of an audit, communicated the
641 existence of any waste of public funds, property, or manpower, or a violation or
642 suspected violation of a law, rule, or regulation adopted under the laws of this

- 643 state, a political subdivision of the state, or any recognized entity of the United
644 States, if the information was disclosed on the condition that the identity of the
645 individual be protected;
- 646 (iii) before an audit is completed and the final audit report is released, records or
647 drafts circulated to an individual who is not an employee or head of a
648 governmental entity for the individual's response or information;
- 649 (iv) records that would disclose an outline or part of any audit survey plans or audit
650 program; and
- 651 (v) requests for audits, if disclosure would risk circumvention of an audit.
- 652 (b) The provisions of Subsections (17)(a)(i), (ii), and (iii) do not prohibit the disclosure
653 of records or information that relate to a violation of the law by a governmental entity
654 or employee to a government prosecutor or peace officer.
- 655 (c) The provisions of this Subsection (17) do not limit the authority otherwise given to
656 the state auditor to classify a document as public, private, controlled, or protected
657 under Title 63G, Chapter 2, Government Records Access and Management Act.
- 658 (d)(i) As used in this Subsection (17)(d), "record dispute" means a dispute between
659 the state auditor and the subject of an audit performed by the state auditor as to
660 whether the state auditor may release a record, as defined in Section 63G-2-103,
661 to the public that the state auditor gained access to in the course of the state
662 auditor's audit but which the subject of the audit claims is not subject to disclosure
663 under Title 63G, Chapter 2, Government Records Access and Management Act.
- 664 (ii) The state auditor may submit a record dispute to the director of the Government
665 Records Office, created in Section 63A-12-202, for a determination of whether the
666 state auditor may, in conjunction with the state auditor's release of an audit report,
667 release to the public the record that is the subject of the record dispute.
- 668 (iii) The state auditor or the subject of the audit may seek judicial review of the
669 director's determination, described in Subsection (17)(d)(ii), as provided in
670 Section 63G-2-404.
- 671 (18) If the state auditor conducts an audit of an entity that the state auditor has previously
672 audited and finds that the entity has not implemented a recommendation made by the
673 state auditor in a previous audit, the state auditor shall notify the Legislative
674 Management Committee through the Legislative Management Committee's Audit
675 Subcommittee that the entity has not implemented that recommendation.
- 676 (19) The state auditor shall, with the advice and consent of the Senate, appoint the state

677 privacy auditor described in Section 67-3-13.

678 (20) Except as provided in Subsection (21), the state auditor shall report, or ensure that
679 another government entity reports, on the financial, operational, and performance
680 metrics for the state system of higher education and the state system of public education,
681 including metrics in relation to students, programs, and schools within those systems.

682 (21)(a) Notwithstanding Subsection (20), the state auditor shall conduct regular audits of:

683 (i) the scholarship granting organization for the Carson Smith Opportunity
684 Scholarship Program, created in Section 53E-7-402;

685 (ii) the State Board of Education for the Carson Smith Scholarship Program, created
686 in Section 53F-4-302; and

687 (iii) the scholarship program manager for the Utah Fits All Scholarship Program,
688 created in Section 53F-6-402, including an analysis of the cost effectiveness of the
689 program, taking into consideration the amount of the scholarship and the amount
690 of state and local funds dedicated on a per-student basis within the traditional
691 public education system.

692 (b) Nothing in this subsection limits or impairs the authority of the State Board of
693 Education to administer the programs described in Subsection (21)(a).

694 (22) The state auditor shall, based on the information posted by the Office of Legislative
695 Research and General Counsel under Subsection 36-12-12.1(2), for each policy, track
696 and post the following information on the state auditor's website:

697 (a) the information posted under Subsections 36-12-12.1(2)(a) through (e);

698 (b) an indication regarding whether the policy is timely adopted, adopted late, or not
699 adopted;

700 (c) an indication regarding whether the policy complies with the requirements
701 established by law for the policy; and

702 (d) a link to the policy.

703 (23)(a) A legislator may request that the state auditor conduct an inquiry to determine
704 whether a government entity, government official, or government employee has
705 complied with a legal obligation directly imposed, by statute, on the government
706 entity, government official, or government employee.

707 (b) The state auditor may, upon receiving a request under Subsection (23)(a), conduct
708 the inquiry requested.

709 (c) If the state auditor conducts the inquiry described in Subsection (23)(b), the state
710 auditor shall post the results of the inquiry on the state auditor's website.

(d) The state auditor may limit the inquiry described in this Subsection (23) to a simple determination, without conducting an audit, regarding whether the obligation was fulfilled.

(24) The state auditor shall:

(a) ensure compliance with Title 63G, Chapter 31, Distinctions on the Basis of Sex, in accordance with Section 63G-31-401; and

(b) report to the Legislative Management Committee, upon request, regarding the state auditor's actions under this Subsection (24).

(25) The state auditor shall report compliance with Sections 67-27-107, 67-27-108, and 67-27-109 by:

(a) establishing a process to receive and audit each alleged violation; and

(b) reporting to the Legislative Management Committee, upon request, regarding the state auditor's findings and recommendations under this Subsection (25).

(26) The state auditor shall ensure compliance with Section 63G-1-704 regarding the display of flags in or on government property.

(27) The state auditor shall ensure compliance with Section 53G-10-204 regarding a public entity's use of character education.

~~[(27)]~~ (28)(a) On or before January 31 each year, the state auditor shall prepare a report that states, for each entity that holds public funds as defined in Section 51-7-3, the entity's total balance, as of the last day of the immediately preceding fiscal year, of cash, cash equivalents, and investments, as those terms are defined under the standards established by the Governmental Accounting Standards Board.

(b) The state auditor shall make the report described in Subsection ~~[(27)(a)]~~ (28)(a) publicly available on a website that the state auditor maintains.

Section 5. Effective Date.

This bill takes effect on July 1, 2026.