

1

Budgetary Modifications
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Val L. Peterson
Senate Sponsor:

2

3 LONG TITLE

4

General Description:

5 This bill modifies provisions related to state budgeting.

6

Highlighted Provisions:

7 This bill:

8 ▶ changes the name of:

- 9 • the Agriculture Conservation Easement Account; and
- 10 • the LeRay McAllister Working Farm and Ranch Fund;

11 ▶ repeals the following accounts and funds, including related references:

- 12 • the Navajo Water Rights Negotiation Account;
- 13 • the Conversion to Alternative Fuel Grant Program Fund, including the Conversion to

14 Alternative Fuel Grant Program;

- 15 • the Wildlife Resources Conservation Easement Account;

- 16 • the Wild Game Meat Donation Fund; and

- 17 • the Colorado River Authority Restricted Account;

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

20 ▶ clarifies that the state auditor may audit grant funds in accordance with the state auditor's
21 authority;

22 ▶ changes the default grant distribution schedule for state grants to disbursement by
23 reimbursement;

24 ▶ for a direct award grant, prohibits an administering agency from using grant funds to
25 administer the grant, unless otherwise provided in the grant appropriation's intent
26 language;

27 ▶ modifies certain reporting requirements for a competitive grant;

28 ▶ allows an agency to expend up to 100% of the dedicated credits revenue that the agency
29 receives in excess of the amount appropriated, if the dedicated credits are appropriated
30 to a specified type of fund;

31 ▶ amends the administration of the Industrial Assistance Account by:
32 • requiring legislative appropriation to deposit money into the account and to expend
33 money from the account; and
34 • prohibiting the administrator from providing loans from the account;
35 ▶ addresses the state auditor's authority related to expenses and personnel;
36 ▶ creates the Energy Development Infrastructure Fund to make loans to public entities to
37 finance infrastructure development that supports nuclear power generation and
38 transmission in the state; and
39 ▶ makes technical and conforming changes.

40 **Money Appropriated in this Bill:**

41 This bill appropriates (\$5,000,000) in operating and capital budgets for fiscal year 2026, all
42 of which is from the General Fund.

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

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

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

49 **Other Special Clauses:**

50 This bill provides a special effective date.

51 **Utah Code Sections Affected:**

52 AMENDS:

53 **4-46-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
54 Session, Chapter 16

55 **4-46-202 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah
56 2023, Chapter 180

57 **4-46-301 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 143

58 **4-46-302 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
59 Session, Chapter 15

60 **4-46-303 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 271

61 **4-46-304 (Effective 07/01/26) (Partially Repealed 07/01/27)**, as last amended by Laws of
62 Utah 2025, Chapter 91

63 **4-46-401 (Effective 07/01/26) (Partially Repealed 07/01/27)**, as last amended by Laws of
64 Utah 2023, Chapter 34

65 **17-81-501 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
66 First Special Session, Chapter 14
67 **39A-8-104 (Effective 07/01/26)**, as last amended by Laws of Utah 2023, Chapter 180
68 **63C-25-101 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah
69 2025, Chapter 105
70 **63G-6b-201 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300
71 **63G-6b-301 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300
72 **63G-6b-401 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300
73 **63I-1-223 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Third Special
74 Session, Chapter 5
75 **63I-2-263 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapters 182,
76 273 and 277
77 **63J-1-105 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 382
78 **63J-1-217 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 456
79 **63J-1-602.2 (Effective 07/01/26) (Partially Repealed 07/01/29)**, as last amended by Laws
80 of Utah 2025, First Special Session, Chapter 17
81 **63M-14-102 (Effective 07/01/26)**, as enacted by Laws of Utah 2021, Chapter 179
82 **63N-3-103 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 282
83 **63N-3-105 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 159
84 **63N-3-106 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 113
85 **67-3-1 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
86 Session, Chapter 17
87 **79-6-1105 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, Chapter 375

88 ENACTS:

89 **79-6-410 (Effective 07/01/26)**, Utah Code Annotated 1953

90 REPEALS:

91 **19-2-301 (Effective 07/01/26) (Repealed 07/01/29)**, as enacted by Laws of Utah 2015,
92 Chapter 381

93 **19-2-302 (Effective 07/01/26) (Repealed 07/01/29)**, as last amended by Laws of Utah
94 2016, Chapter 369

95 **19-2-303 (Effective 07/01/26) (Repealed 07/01/29)**, as last amended by Laws of Utah
96 2016, Chapter 369

97 **19-2-304 (Effective 07/01/26) (Repealed 07/01/29)**, as last amended by Laws of Utah
98 2016, Chapter 369

99 **23A-3-204 (Effective 07/01/26) (Partially Repealed 07/01/27)**, as renumbered and
100 amended by Laws of Utah 2023, Chapter 103
101 **23A-3-206 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2023,
102 Chapter 103
103 **51-9-701 (Effective 07/01/26)**, as enacted by Laws of Utah 2012, Chapter 276
104 **51-9-702 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 412
105 **63M-14-501 (Effective 07/01/26)**, as enacted by Laws of Utah 2021, Chapter 179

106
107 *Be it enacted by the Legislature of the state of Utah:*

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

109 **4-46-102 (Effective 07/01/26). Definitions.**

110 As used in this chapter:

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

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

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

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

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

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

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

121 [(7)] (8) "Fund" means the LeRay McAllister Working Farm and Ranch Fund created in Section
122 4-46-301.]

123 (8) "Land use authority" means:

124 (a) a land use authority, as defined in Section 10-20-102, of a municipality; or
125 (b) a land use authority, as defined in Section 17-79-102, of a county.

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

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

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

130 (ii) used for:

131 (A) wildlife habitat;

132 (B) cultural or recreational use;

133 (C) watershed protection; or
134 (D) another use consistent with the preservation of the land in, or restoration of
135 the land to, a predominantly natural, open, and undeveloped condition.

136 (b) "Open land" includes land described in Subsection (10)(a) that contains facilities,
137 including trails, waterways, and grassy areas, that:
138 (i) enhance the natural, scenic, or aesthetic qualities of the land; or
139 (ii) facilitate the public's access to or use of the land for the enjoyment of the land's
140 natural, scenic, or aesthetic qualities and for compatible recreational activities.

141 (c) "Open land" does not include land whose predominant use is as a developed facility
142 for active recreational activities, including baseball, tennis, soccer, golf, or other
143 sporting or similar activities.

144 (11)(a) "State conservation efforts" includes:
145 (i) efforts to optimize and preserve the uses of land for the benefit of the state's
146 agricultural industry and natural resources; and
147 (ii) conservation of working landscapes that if conserved, preserves the state's
148 agricultural industry and natural resources, such as working agricultural land.

149 (b) "State conservation efforts" does not include the purpose of opening private property
150 to public access without the consent of the owner of the private property.

151 (12)(a) "Working agricultural land" means agricultural land for which an owner or
152 producer engages in the activity of producing for commercial purposes crops,
153 orchards, livestock, poultry, aquaculture, livestock products, or poultry products and
154 the facilities, equipment, and property used to facilitate the activity.

155 (b) "Working agricultural land" includes an agricultural protection area established
156 under Title 17, Chapter 81, Agriculture, Industrial, and Critical Infrastructure
157 Materials.

158 Section 2. Section **4-46-202** is amended to read:

159 **4-46-202 (Effective 07/01/26) (Repealed 07/01/27). Board duties and powers -- No**
160 **regulatory authority -- Criteria.**

161 (1) The board shall:
162 (a) administer the [fund] account as provided in this chapter; and
163 (b) fulfill other responsibilities imposed on the board by the Legislature.

164 (2) The board may not exercise any regulatory authority.

165 (3) In carrying out the board's powers and duties under this chapter, the board shall adopt
166 ranking criteria that is substantially similar to the ranking criteria used by the

167 Agriculture Conservation Easement Program and Agriculture Land Easement as
168 determined by the Natural Resources Conservation Service under the United States
169 Department of Agriculture.

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

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

172 **4-46-301 (Effective 07/01/26). LeRay McAllister Working Farm and Ranch
173 Account.**

174 (1) There is created a restricted account within the General Fund entitled the "LeRay
175 McAllister Working Farm and Ranch Fund Account."
176 (2) The LeRay McAllister Working Farm and Ranch Fund Account shall consist of:
177 (a) appropriations by the Legislature;
178 (b) grants from federal or private sources;
179 (c) revenue paid in accordance with Section 59-2-506, 59-2-511, 59-2-1705, or
180 59-2-1710; and
181 (d) interest and earnings from the account.
182 (3) The Land Conservation Board created in Section 4-46-201 may use appropriations from
183 the fund account in accordance with Section 4-46-302.

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

185 **4-46-302 (Effective 07/01/26). Program -- Use of money in account -- Criteria --
186 Administration.**

187 (1) Subject to Subsection (2), the board shall administer the LeRay McAllister Working
188 Farm and Ranch Fund Account Program under which the board may authorize the use
189 of money in the fund, by grant, to:
190 (a) a local entity;
191 (b) the Department of Natural Resources created under Section 79-2-201;
192 (c) an entity within the department; or
193 (d) a charitable organization that qualifies as being tax exempt under Section 501(c)(3),
194 Internal Revenue Code.
195 (2)(a) The money in the fund account shall be used for preserving or restoring open
196 land and agricultural land.
197 (b) Except as provided in Subsection (2)(c), money from the fund account:
198 (i) may be used to:
199 (A) establish a conservation easement under Title 57, Chapter 18, Land
200 Conservation Easement Act; or

201 (B) fund similar methods to preserve open land or agricultural land; and

202 (ii) may not be used to purchase a fee interest in real property to preserve open land

203 or agricultural land.

204 (c) Money from the [fund] account may be used to purchase a fee interest in real property

205 to preserve open land or agricultural land if:

206 (i) the property to be purchased is no more than 20 acres in size; and

207 (ii) with respect to a parcel purchased in a county in which over 50% of the land area

208 is publicly owned, real property roughly equivalent in size and located within that

209 county is contemporaneously transferred to private ownership from the

210 governmental entity that purchased the fee interest in real property.

211 (d) Eminent domain may not be used or threatened in connection with any purchase

212 using money from the [fund] account.

213 (e) A parcel of land larger than 20 acres in size may not be divided to create one or more

214 parcels that are smaller than 20 acres in order to comply with Subsection (2)(c)(i).

215 (f) A local entity, department, or organization under Subsection (1) may not receive

216 money from the [fund] account unless the local entity, department, or organization

217 provides matching funds equal to or greater than the amount of money received from

218 the [fund] account.

219 (g) In granting money from the [fund] account, the board may impose conditions on the

220 recipient as to how the money is to be spent.

221 (h) The board shall give priority to:

222 (i) working agricultural land; and

223 (ii) after giving priority to working agricultural land under Subsection (2)(h)(i),

224 requests from the Department of Natural Resources for up to 20% of each annual

225 increase in the amount of money in the [fund] account if the money is used for the

226 protection of wildlife or watershed.

227 (i)(i) The board may not make a grant from the [fund] account that exceeds

228 \$1,000,000 until after making a report to the Legislative Management Committee

229 about the grant.

230 (ii) The Legislative Management Committee may make a recommendation to the

231 board concerning the intended grant, but the recommendation is not binding on

232 the board.

233 (3) In determining the amount and type of financial assistance to provide a local entity,

234 department, or organization under Subsection (1) and subject to Subsection (2)(i), the

235 board shall consider:

236 (a) the nature and amount of open land and agricultural land proposed to be preserved or
237 restored;

238 (b) the qualities of the open land and agricultural land proposed to be preserved or
239 restored;

240 (c) the cost effectiveness of the project to preserve or restore open land or agricultural
241 land;

242 (d) the funds available;

243 (e) the number of actual and potential applications for financial assistance and the
244 amount of money sought by those applications;

245 (f) the open land preservation plan of the local entity where the project is located and the
246 priority placed on the project by that local entity;

247 (g) the effects on housing affordability and diversity; and

248 (h) whether the project protects against the loss of private property ownership.

249 (4) If a local entity, department, or organization under Subsection (1) seeks money from the [
250 fund] account for a project whose purpose is to protect critical watershed, the board shall
251 require that the needs and quality of that project be verified by the state engineer.

252 (5) An interest in real property purchased with money from the [fund] account shall be held
253 and administered by the state or a local entity.

254 (6)(a) The board may not authorize the use of money under this section for a project
255 unless the land use authority for the land in which the project is located consents to
256 the project.

257 (b)(i) To obtain consent to a project, the person who is seeking money from the [fund]
258 account shall submit a request for consent to a project with the applicable land use
259 authority.

260 (ii) The land use authority may grant or deny consent.

261 (iii) If the land use authority does not take action within 60 days from the day on
262 which the request for consent is filed with the land use authority under this
263 Subsection (6), the board shall treat the project as having the consent of the land
264 use authority.

265 (c) An action of a land use authority under this Subsection (6) is not a land use decision
266 subject to:

267 (i) Title 10, Chapter 20, Municipal Land Use, Development, and Management Act; or
268 (ii) Title 17, Chapter 79, County Land Use, Development, and Management Act.

269 Section 5. Section **4-46-303** is amended to read:

270 **4-46-303 (Effective 07/01/26). Board to report annually.**

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

273 (1) specifying the amount of each disbursement from the [fund] account;

274 (2) identifying the recipient of each disbursement and describing the project for which
275 money was disbursed; and

276 (3) detailing the conditions, if any, placed by the board on disbursements from the [fund]
277 account.

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

279 **4-46-304 (Effective 07/01/26) (Partially Repealed 07/01/27). Agriculture
280 Conservation Easement Fund.**

281 (1) There is created an expendable special revenue fund known as the Agriculture
282 Conservation Easement [Aeeount] Fund.

283 (2) The Agriculture Conservation Easement [Aeeount] Fund consists of:

284 (a) conservation easement stewardship fees;

285 (b) grants from private foundations;

286 (c) grants from local governments, the state, or the federal government;

287 (d) grants from the Land Conservation Board created under Section 4-46-201;

288 (e) donations from landowners for monitoring and enforcing compliance with
289 conservation easements;

290 (f) donations from any other person; and

291 (g) interest on [aeeount] fund money.

292 (3) The department shall use money from the [aeeount] fund to monitor and enforce
293 compliance with conservation easements held by the department.

294 (4) The department may not receive or expend donations from the [aeeount] fund to acquire
295 conservation easements.

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

297 **4-46-401 (Effective 07/01/26) (Partially Repealed 07/01/27). Division of
298 Conservation created -- Director.**

299 (1) Within the department there is created the Division of Conservation.

300 (2)(a) The director is the executive and administrative head of the division.

301 (b) The director shall administer this part subject to the administration and general
302 supervision of the commissioner.

303 (3) The division shall coordinate state conservation efforts by:

304 (a) staffing the board created in Section 4-46-201;

305 (b) coordinating with a conservation district in accordance with Section 4-46-402;

306 (c) coordinating with an agency or division within the department, the Department of

307 Natural Resources, other state agencies, counties, cities, towns, local land trust

308 entities, and federal agencies;

309 (d) facilitating obtaining federal funds in addition to state funds used for state

310 conservation efforts;

311 (e) monitoring and providing for the management of conservation easements on state

312 lands[, ~~including coordination with the Division of Wildlife Resources in the~~

313 ~~Division of Wildlife Resources' administration of Section 23A-3-204]~~; and

314 (f) implementing rules made by the department in accordance with Title 63G, Chapter 3,

315 Utah Administrative Rulemaking Act, and Section 4-46-403.

316 (4) The division may cooperate with, or enter into agreements with, other agencies of this

317 state and federal agencies in the administration and enforcement of this chapter.

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

319 **17-81-501 (Effective 07/01/26). Use of money -- Criteria -- Administration.**

320 (1) The county treasurer shall deposit 100% of the rollback tax funds into an account or

321 fund of the county set aside for preserving or restoring open land and agricultural land.

322 (2) The rollback funds:

323 (a) may be used to establish a conservation easement under Title 57, Chapter 18, Land

324 Conservation Easement Act, or to fund similar methods to preserve open land or

325 agricultural land; and

326 (b) if the property to be purchased is in a public land county, may not be used to

327 purchase a fee interest in real property to preserve open land or agricultural land,

328 unless, the governmental entity purchasing the property contemporaneously transfers

329 to the private ownership real property, in the same public land county, that is roughly

330 equivalent in size to the property to be purchased.

331 (3) Eminent domain may not be used or threatened in connection with any purchase using

332 the rollback tax funds.

333 (4) The funds collected by the account or fund of the county may roll over from

334 year-to-year, except that if the county does not spend, or obligate, 100% of the rollback

335 tax funds for a purpose described in Subsection (2) within 10 years after the year in

336 which the county collects the rollback tax funds, the county shall pay the balance to the

337 LeRay McAllister Working Farm and Ranch [Fund] Account created in Section 4-46-301.

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

339 **39A-8-104 (Effective 07/01/26). Committee responsibilities.**

340 (1) The committee shall:

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

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

345 (c) publish any policies and procedures as administrative rules in accordance with Title
346 63G, Chapter 3, Utah Administrative Rulemaking Act.

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

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

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

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

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

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

361 (a) the governor;

362 (b) the Government Operations Interim Committee; and

363 (c) the Executive Appropriations Committee.

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

365 **63C-25-101 (Effective 07/01/26) (Repealed 07/01/27). Definitions.**

366 As used in this chapter:

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

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

369 (3)(a) "Bonding government entity" means the state or any entity that is authorized to
370 issue bonds under any provision of state law.

371 (b) "Bonding government entity" includes:

372 (i) a bonding political subdivision; and

373 (ii) a public infrastructure district that is authorized to issue bonds either directly, or

374 through the authority of a bonding political subdivision or other governmental

375 entity.

376 (4) "Bonding political subdivision" means:

377 (a) the Utah Inland Port Authority, created in Section 11-58-201;

378 (b) the Military Installation Development Authority, created in Section 63H-1-201;

379 (c) the Point of the Mountain State Land Authority, created in Section 11-59-201;

380 (d) the Utah Lake Authority, created in Section 11-65-201;

381 (e) the State Fair Park Authority, created in Section 11-68-201; or

382 (f) the Utah Fairpark Area Investment and Restoration District, created in Section

383 11-70-201.

384 (5) "Commission" means the State Finance Review Commission created in Section

385 63C-25-201.

386 (6) "Concessionaire" means a person who:

387 (a) operates, finances, maintains, or constructs a government facility under a contract

388 with a bonding political subdivision; and

389 (b) is not a bonding government entity.

390 (7) "Concessionaire contract" means a contract:

391 (a) between a bonding government entity and a concessionaire for the operation, finance,

392 maintenance, or construction of a government facility;

393 (b) that authorizes the concessionaire to operate the government facility for a term of

394 five years or longer, including any extension of the contract; and

395 (c) in which all or some of the annual source of payment to the concessionaire comes

396 from state funds provided to the bonding government entity.

397 (8) "Creating entity" means the same as that term is defined in Section 17D-4-102.

398 (9) "Government facility" means infrastructure, improvements, or a building that:

399 (a) costs more than \$5,000,000 to construct; and

400 (b) has a useful life greater than five years.

401 (10) "Large public transit district" means the same as that term is defined in Section

402 17B-2a-802.

403 (11) "Loan entity" means the board, person, unit, or agency with legal responsibility for

404 making a loan from a revolving loan fund.

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

406 (13) "Parameters resolution" means a resolution of a bonding government entity that sets

407 forth for proposed bonds:

408 (a) the maximum:

409 (i) amount of bonds;

410 (ii) term; and

411 (iii) interest rate; and

412 (b) the expected security for the bonds.

413 (14) "Public infrastructure district" means a public infrastructure district created under Title

414 17D, Chapter 4, Public Infrastructure District Act.

415 (15) "Revolving loan fund" means:

416 (a) the Water Resources Conservation and Development Fund, created in Section

417 73-10-24;

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

419 (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels

420 and Emission Reduction Technology Program Act;

421 (d) the Water Development Security Fund and its subaccounts, created in Section

422 73-10c-5;

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

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

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

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

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

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

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

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

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

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

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

434 63A-3-402;

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

436 [(p)] (q) any other revolving loan fund created in statute where the borrower from the

437 revolving loan fund is a public non-profit entity or political subdivision, including a

438 fund listed in Section 63A-3-205, from which a loan entity is authorized to make a

439 loan.

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

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

443 (i) a revolving loan fund; or

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

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

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

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

448 Section 11. Section **63G-6b-201** is amended to read:

449 **63G-6b-201 (Effective 07/01/26). Requirements for all grants.**

450 [(1)(a) An administering agency shall disburse grant funds in accordance with this
451 Subsection (1).]

452 [(b) Before an administering agency disburses a grant's grant funds, the administering
453 agency shall ensure that the grant recipient provides a detailed budget demonstrating
454 how the grant recipient will use the grant funds.]

455 [(c) An administering agency shall establish a distribution schedule that ensures
456 accountability and responsible oversight of the use of the grant funds.]

457 [(d) An administering agency may not:]

458 [(i) disburse all grant funds in a single payment, unless the administering agency
459 makes the single payment after the grant recipient satisfies the grant recipient's
460 performance obligations under the agreement described in Subsection (4); or]

461 [(ii) make a grant recipient's final disbursement before the grant recipient delivers the
462 report described in Subsection (3).]

463 [(2) For a multi-year grant:]

464 [(a) the grant period may not exceed five years; and]

465 [(b) in the final quarter of each year of the grant period, excluding the final year, the
466 grant recipient shall deliver to the administering agency a report that details the grant
467 recipient's progress towards fulfilling the grant's purpose, including the annual
468 deliverables and performance metrics described in the agreement made in accordance
469 with Subsection (4).]

470 [(3) An administering agency may not make the final grant funds disbursement until:]

471 [(a) the grant recipient delivers to the administering agency a final report that details the
472 extent to which the grant recipient fulfilled the grant's purpose, including the

473 deliverables and performance metrics described in the agreement made in accordance
474 with Subsection (4); and]

475 [(b) the administering agency determines that the grant recipient satisfactorily produced
476 each deliverable provided in the agreement described in Subsection (4).]

477 [(4)] (1) Except as otherwise provided in the grant appropriation[and consistent with the
478 other provisions of this section], an administering agency may not disburse grant funds
479 to a grant recipient before:

480 (a) the administering agency and the grant recipient execute an agreement that contains:

481 [(a) the disbursement schedule for the grant funds;]

482 [(b)] (i) the deliverables, reporting, and performance metrics the grant recipient will
483 produce and use to demonstrate that the grant recipient [used the grant funds]
484 incurred each expense for which the administering agency seeks reimbursement to
485 fulfill the grant's purpose;

486 [(e)] (ii) if the grant is a multi-year grant, annual deliverables and performance
487 metrics the grant recipient will produce and use to demonstrate sufficient progress
488 towards fulfilling the grant's purpose;

489 [(d)] (iii) a provision informing the grant recipient that disbursement of grant funds is
490 subject to legislative appropriation; and

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

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

496 (2)(a) Except as otherwise provided in the grant appropriation, an administering agency
497 may disburse grant funds only as reimbursement for an expense a grant recipient
498 incurs during the grant period.

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

502 (i) the amount of the expense;

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

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

506 (c)(i) If a grant recipient does not have a receipt or comparable record for an expense

507 for which the grant recipient seeks reimbursement, the administering agency may
508 not reimburse the expense unless:

509 (A) the grant recipient allows an independent third party to review the grant
510 recipient's financial records that relate to the grant; and
511 (B) the independent third party provides a report to the administering agency that
512 identifies each expense the independent third party determines is adequately
513 supported and incurred for a purpose consistent with the grant's purpose and
514 the grant agreement.

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

518 (3) An administering agency may not make a grant recipient's final disbursement before:
519 (a) the grant recipient delivers to the administering agency a final report that details the
520 extent to which the grant recipient fulfilled the grant's purpose, including the
521 deliverables and performance metrics described in the grant agreement; and
522 (b) the administering agency determines that the grant recipient satisfactorily produced
523 each deliverable provided in the grant agreement.

524 (4) For a multi-year grant:

525 (a) the grant period may not exceed five years; and
526 (b) in the final quarter of each year of the grant period, excluding the final year, the grant
527 recipient shall deliver to the administering agency a report that details the grant
528 recipient's progress towards fulfilling the grant's purpose, including the annual
529 deliverables and performance metrics described in the grant agreement.

530 (5)(a) In accordance with Utah Constitution, Article VI, Section 33, the legislative
531 auditor general may audit the use of any grant funds.
532 (b) The state auditor may audit grant funds as provided in Utah Constitution, Article VII,
533 Section 15.

534 Section 12. Section **63G-6b-301** is amended to read:

535 **63G-6b-301 (Effective 07/01/26). Direct award grant requirements.**

536 (1)(a) A direct award grant is valid only if the direct award grant's grant appropriation
537 identifies the recipient or class of recipients in the grant appropriation's intent
538 language.
539 (b) For a grant appropriation that is an ongoing appropriation to fund a multi-year grant,
540 the requirement to identify the recipient or class of recipients applies each fiscal year.

541 (2) If the intent language for a direct award grant's grant appropriation provides a
542 disbursement schedule that is inconsistent with the [schedule described in Section
543 63G-6b-202] requirements described in Section 63G-6b-201, for the fiscal year in which
544 the grant appropriation is made, the schedule in the intent language controls.
545 (3) An administering agency may not use any portion of a direct award grant's grant
546 appropriation to pay costs of administering the grant, unless otherwise provided in the
547 grant appropriation's intent language.

548 Section 13. Section **63G-6b-401** is amended to read:

549 **63G-6b-401 (Effective 07/01/26). Competitive grant requirements.**

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

566 Section 14. Section **63I-1-223** is amended to read:

567 **63I-1-223 (Effective 07/01/26). Repeal dates: Title 23A.**

568 (1) Section 23A-2-302, Wildlife Board Nominating Committee created, is repealed July 1,
569 2028.
570 (2) Section 23A-2-303, Regional advisory councils created, is repealed July 1, 2028.
571 [(3) Subsection 23A-3-204(2)(c), regarding the Land Conservation Board, is repealed July
572 1, 2027.]

573 Section 15. Section **63I-2-263** is amended to read:

574 **63I-2-263 (Effective 07/01/26). Repeal dates: Titles 63A through 63O.**

575 (1) Title 63A, Chapter 2, Part 5, Educational Interpretation and Translation Services
576 Procurement Advisory Council is repealed July 1, 2025.

577 (2) Section 63A-5b-807, Eminent domain of unincorporated city owned land, is repealed
578 January 1, 2027.

579 (3) Section 63A-17-806, Definitions -- Infant at Work Pilot Program -- Administration --
580 Report, is repealed June 30, 2026.

581 (4) Section 63C-1-103, Appointment and terms of boards, committees, councils, and
582 commissions transitioning on October 1, 2024, or December 31, 2024, is repealed July
583 1, 2025.

584 (5) Section 63C-1-104, Appointment and terms of boards transitioning on October 1, 2024,
585 is repealed January 1, 2025.

586 (6) Subsection 63G-6a-802(1)(e), regarding a procurement for a presidential debate, is
587 repealed January 1, 2025.

588 (7) Subsection 63G-6a-802(3)(b)(iii), regarding a procurement for a presidential debate, is
589 repealed January 1, 2025.

590 (8) Subsection 63H-7a-403(2)(b), regarding the charge to maintain the public safety
591 communications network, is repealed July 1, 2033.

592 (9) Subsection 63J-1-602.2(30), regarding funding the Enterprise Zone Act, is repealed
593 December 31, 2026.

594 (10) Subsection [63J-1-602.2(46)] 63J-1-602.2(45), regarding appropriations to the State
595 Tax Commission for deferral reimbursements, is repealed July 1, 2027.

596 (11) Section 63M-7-221, Expungement working group, is repealed April 30, 2025.

597 (12) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed December 31, 2026.

598 Section 16. Section **63J-1-105** is amended to read:

599 **63J-1-105 (Effective 07/01/26). Revenue types -- Disposition of dedicated credits
600 and expendable receipts.**

601 (1)(a) Dedicated credits are subject to appropriations and the restrictions in this chapter.

602 (b) An agency may expend dedicated credits for any purpose within the program or line
603 item.

604 (2) Except as provided in Subsections (3) and (4), an agency may not expend dedicated
605 credits in excess of the amount appropriated to a line item as dedicated credits by the
606 Legislature.

607 (3) Each agency that receives dedicated credits revenue greater than the amount
608 appropriated to a line item by the Legislature in the annual appropriations acts may

609 expend the excess up to 25% of the amount appropriated if the expenditure is included
610 in a revised budget execution plan submitted as provided in Section 63J-1-209.

611 [(4) Notwithstanding the requirements of Subsection (3), when an agency's dedicated
612 credits revenue represents over 90% of the budget of the line item for which the
613 dedicated credits are collected, the agency may expend 100% of the excess of the
614 amount appropriated if the agency submits a revised budget execution plan as provided
615 in Subsection (3) and Section 63J-1-209.]

616 (4) Notwithstanding the requirements of Subsection (3), an agency may expend up to 100%
617 of the excess of the amount appropriated if:

- 618 (a)(i) the agency's dedicated credits revenue represents over 90% of the budget of the
619 line item for which the dedicated credits are collected; and
- 620 (ii) the agency submits a revised budget execution plan as provided in Subsection (3)
621 and Section 63J-1-209; or
- 622 (b) the dedicated credits are appropriated to an expendable special revenue fund, an
623 enterprise fund, or a fiduciary fund.

624 (5) An expenditure of dedicated credits in excess of amounts appropriated to a line item as
625 dedicated credits by the Legislature may not be used to permanently increase personnel
626 within the agency unless:

- 627 (a) the increase is approved by the Legislature; or
- 628 (b) the money is deposited as a dedicated credit in a line item covering tuition or federal
629 vocational funds at an institution of higher education.

630 (6)(a) All excess dedicated credits not received or expended in compliance with
631 Subsection (3), (4), or (7) lapse to the General Fund or other appropriate fund as free
632 or restricted revenue at the end of the fiscal year.

- 633 (b) The Division of Finance shall determine the appropriate fund into which the
634 dedicated credits lapse.

635 (7)(a) When an agency has a line item that is funded by more than one major revenue
636 type, one of which is dedicated credits, the agency shall completely expend
637 authorized dedicated credits within the current fiscal year and allocate unused
638 spending authorization among other funding sources based upon a proration of the
639 amounts appropriated from each of those major revenue types not attributable to
640 dedicated credits, unless the Legislature has designated a portion of the dedicated
641 credits as nonlapsing, in which case the agency shall completely expend within the
642 current fiscal year authorized dedicated credits minus the portion of dedicated credits

643 designated as nonlapsing, and allocate unused spending authorization among the
644 other funding sources based upon a proration of the amounts appropriated from each
645 of those major revenue types not attributable to dedicated credits.

646 (b) Nothing in Subsection (7)(a) shall be construed to allow an agency to receive and
647 expend dedicated credits in excess of legislative appropriations to a line item without
648 complying with Subsection (3) or (4).

649 (c) Each agency that receives dedicated credits shall report, to the Division of Finance,
650 any balances remaining in those funds at the conclusion of each fiscal year.

651 (8) Each agency shall include in its annual budget request estimates of dedicated credits
652 revenue that is identified by, collected for, or set by the agency.

653 (9) Each agency may expend expendable receipts in accordance with the terms set by a
654 nonstate entity that provides the funds.

655 (10)(a) Expendable receipts are not limited by appropriations.

656 (b) Each agency that receives expendable receipts revenue greater than the amount
657 included for a line item by the Legislature in the annual appropriations acts may
658 expend the excess if the expenditure is included in a revised budget execution plan
659 submitted as provided in Section 63J-1-209.

660 (c) If an agency receives excess expendable receipts revenue that is more than 25%
661 greater than the amount included for a line item by the Legislature in the annual
662 appropriations acts, the agency shall report the excess amount, the source of the
663 expendable receipts, and the purpose for which the expendable receipts will be
664 expended to the Governor's Office of Planning and Budget, the legislative fiscal
665 analyst, and the Executive Appropriations Committee within 60 days of submitting a
666 revised budget execution plan as provided in Section 63J-1-209.

667 Section 17. Section **63J-1-217** is amended to read:

668 **63J-1-217 (Effective 07/01/26). Overexpenditure of budget by agency --**

669 **Prorating budget income shortfall.**

670 (1) Expenditures of departments, agencies, and institutions of state government shall be
671 kept within revenues available for such expenditures.

672 (2)(a) Line items of appropriation shall not be overexpended.

673 (b) Notwithstanding Subsection (2)(a), if an agency's line item is overexpended at the
674 close of a fiscal year:

675 (i) the director of the Division of Finance may make payments from the line item to
676 vendors for goods or services that were received on or before June 30; and

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

711 (1) The Legislature and the Legislature's committees.

712 (2) The State Board of Education, including all appropriations to agencies, line items, and

713 programs under the jurisdiction of the State Board of Education, in accordance with

714 Section 53F-9-103.

715 (3) The Rangeland Improvement Act created in Section 4-20-101.

716 (4) The Percent-for-Art Program created in Section 9-6-404.

717 (5) The LeRay McAllister Working Farm and Ranch [Fund] Account Program created in

718 Title 4, Chapter 46, Part 3, LeRay McAllister Working Farm and Ranch Fund.

719 (6) The Utah Lake Authority created in Section 11-65-201.

720 (7) Dedicated credits accrued to the Utah Marriage Commission as provided under

721 Subsection 17-66-303(2)(d)(ii).

722 (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.

723 (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection

724 26B-3-108(7).

725 (10) The primary care grant program created in Section 26B-4-310.

726 (11) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.

727 (12) The Utah Health Care Workforce Financial Assistance Program created in Section

728 26B-4-702.

729 (13) The Rural Physician Loan Repayment Program created in Section 26B-4-703.

730 (14) The Utah Medical Education Council for the:

731 (a) administration of the Utah Medical Education Program created in Section 26B-4-707;

732 (b) provision of medical residency grants described in Section 26B-4-711; and

733 (c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.

734 (15) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.

735 (16) The Communication Habits to reduce Adolescent Threats (CHAT) Pilot Program

736 created in Section 26B-7-122.

737 (17) Funds that the Department of Alcoholic Beverage Services retains in accordance with

738 Subsection 32B-2-301(8)(a) or (b).

739 (18) The General Assistance program administered by the Department of Workforce

740 Services, as provided in Section 35A-3-401.

741 (19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.

742 (20) The Search and Rescue Financial Assistance Program, as provided in Section

743 53-2a-1102.

744 (21) The Emergency Medical Services Grant Program, as provided in Section 53-2d-207.

745 (22) The Motorcycle Rider Education Program, as provided in Section 53-3-905.

746 (23) The Utah Board of Higher Education for teacher preparation programs, as provided in

747 Section 53H-5-402.

748 (24) Innovation grants under Section 53G-10-608, except as provided in Subsection

749 53G-10-608(3).

750 (25) The Division of Fleet Operations for the purpose of upgrading underground storage

751 tanks under Section 63A-9-401.

752 (26) The Division of Technology Services for technology innovation as provided under

753 Section 63A-16-903.

754 (27) The State Capitol Preservation Board created by Section 63O-2-201.

755 (28) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.

756 (29) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado

757 River Authority of Utah Act.

758 (30) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as

759 provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.

760 (31) The Governor's Office of Economic Opportunity's Rural Employment Expansion

761 Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion

762 Program.

763 (32) County correctional facility contracting program for state inmates as described in

764 Section 64-13e-103.

765 (33) County correctional facility reimbursement program for state probationary inmates and

766 state parole inmates as described in Section 64-13e-104.

767 (34) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.

768 (35) The Division of Human Resource Management user training program, as provided in

769 Section 63A-17-106.

770 (36) A public safety answering point's emergency telecommunications service fund, as

771 provided in Section 69-2-301.

772 (37) The Traffic Noise Abatement Program created in Section 72-6-112.

773 [~~(38) The money appropriated from the Navajo Water Rights Negotiation Account to the~~

774 ~~Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a~~

775 ~~settlement of federal reserved water right claims.]~~

776 [~~(39) (38) The Judicial Council for compensation for special prosecutors, as provided in~~

777 ~~Section 77-10a-19.~~

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

779 [41] (40) The Utah Geological Survey, as provided in Section 79-3-401.
780 [42] (41) The Bonneville Shoreline Trail Program created under Section 79-5-503.
781 [43] (42) Adoption document access as provided in Sections 81-13-103, 81-13-504, and
782 81-13-505.
783 [44] (43) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent
784 Defense Commission.
785 [45] (44) The program established by the Division of Facilities Construction and
786 Management under Section 63A-5b-703 under which state agencies receive an
787 appropriation and pay lease payments for the use and occupancy of buildings owned by
788 the Division of Facilities Construction and Management.
789 [46] (45) The State Tax Commission for reimbursing counties for deferrals in accordance
790 with Section 59-2-1802.5.
791 [47] (46) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.
792 Section 19. Section **63M-14-102** is amended to read:
793 **63M-14-102 (Effective 07/01/26). Definitions.**
794 As used in this chapter:
795 (1) "Appointing authority" means an authority named in Section 63M-14-202 that appoints
796 an authority member for a Colorado River authority area.
797 (2) "Authority" means the Colorado River Authority of Utah created by Section
798 63M-14-201.
799 (3) "Authority member" means a person appointed as a member of the authority under
800 Section 63M-14-202 or designated as a member of the authority.
801 (4) "Chair" means the chair of the authority.
802 (5) "Colorado River Basin States" means Arizona, California, Colorado, Nevada, New
803 Mexico, Utah, and Wyoming.
804 (6) "Colorado River authority area" means the geographic area designated by Subsection
805 63M-14-202(2).
806 (7) "Colorado River system" means the entire drainage of the Colorado River in Utah
807 including both the main stem of the Colorado River and the Colorado River's tributaries.
808 (8) "Law of the river" means the compacts, federal laws, treaties, court decisions and
809 decrees, contracts, and regulatory guidelines that underlie and authorize the management
810 and operation of the Colorado River.
811 [9) "Restricted account" means the Colorado River Authority Restricted Account created
812 in Section 63M-14-501.]

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

814 Section 20. Section **63N-3-103** is amended to read:

815 **63N-3-103 (Effective 07/01/26). Industrial Assistance Account created -- Uses --**

816 **Administrator duties -- Costs.**

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

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

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

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

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

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

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

830 Section 21. Section **63N-3-105** is amended to read:

831 **63N-3-105 (Effective 07/01/26). Qualification for assistance -- Application
832 requirements.**

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

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

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

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

840 (2) As part of an application for receiving financial assistance under this part, an applicant
841 shall demonstrate the following to the satisfaction of the administrator:

842 (a) the nature of the economic opportunity and the related benefit to the economic
843 well-being of the state by providing evidence documenting the expenditure of money
844 necessitated by the economic opportunity;

845 (b) how the economic opportunity will act in concert with other state, federal, or local
846 agencies to achieve the economic benefit;

847 (c) that the applicant will expend funds in the state with employees, vendors,
848 subcontractors, or other businesses in an amount proportional with money provided
849 from the restricted account at a minimum ratio of one to one per year or other more
850 stringent requirements as established on a per project basis by the administrator;
851 (d) for an application for a loan, the applicant's ability to sustain economic activity in the
852 state sufficient to repay, by means of cash or appropriate credits, the loan provided by
853 the restricted account; and
854 (e) any other criteria the administrator considers appropriate.

855 (3)(a) The administrator may exempt an applicant from any of the requirements of
856 Subsection (2) if:

857 (i) the applicant is part of a targeted industry; or
858 (ii) the applicant is a quasi-public corporation organized under Title 16, Chapter 6a,
859 Utah Revised Nonprofit Corporation Act, or Title 63E, Chapter 2, Independent
860 Corporations Act, and the applicant's operations, as demonstrated to the
861 satisfaction of the administrator, will provide significant economic stimulus to the
862 growth of commerce and industry in the state.

863 (b) The administrator may not exempt the applicant from the requirement under
864 Subsection 63N-3-106(1)(b) that the loan be structured so that the repayment or
865 return to the state equals at least the amount of the assistance together with an annual
866 interest charge.

867 (4) Before awarding any money under this part, the administrator shall:

868 (a) make findings as to whether an applicant has satisfied the requirements of Subsection
869 (2);
870 (b) establish benchmarks and timeframes in which progress toward the completion of the
871 agreed upon activity is to occur;
872 (c) monitor compliance by an applicant with any contract or agreement entered into by
873 the applicant and the state as provided by Section 63N-3-107; and
874 (d) make funding decisions based upon appropriate findings and compliance.

875 Section 22. Section **63N-3-106** is amended to read:

876 **63N-3-106 (Effective 07/01/26). Structure of loans, grants, and assistance --**

877 **Repayment -- Earned credits.**

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

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

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

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

890 (b) The value of the credits described in Subsection (2)(a) shall be based on factors
891 determined by the administrator, including:
892 (i) the number of Utah jobs created;
893 (ii) the increased economic activity in Utah; or
894 (iii) other events and activities that occur as a result of the restricted account
895 assistance.

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

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

902 (4)(a)(i) At the end of each fiscal year, the Division of Finance shall transfer set aside the balance of the General Fund revenue surplus as defined in Section
903 63J-1-312 after the transfers of General Fund revenue surplus described in
904 Subsection (4)(b) to the Industrial Assistance Account in an amount equal to any
905 credit that has accrued under this part.
906 (ii) The transfer set aside under Subsection (4)(a)(i) is capped at \$50,000,000 and
907 the Division of Finance shall deposit any interest accrued above the \$50,000,000
908 cap into the General Fund.

909 (b) The Division of Finance shall make the transfer set aside required by Subsection
910 (4)(a) after the Division of Finance transfers the General Fund revenue surplus to:
911 (i) the Medicaid Growth Reduction and Budget Stabilization Restricted Account, as
912 provided in Section 63J-1-315;
913 (ii) the General Fund Budget Reserve Account, as provided in Section 63J-1-312; and

915 (iii) as provided in Section 63J-1-314:
916 (A) the Utah Wildfire Fund; and
917 (B) the State Disaster Recovery Restricted Account.
918 (c) These credit amounts may not be used for purposes of the restricted account as
919 provided in this part until appropriated by the Legislature.

920 Section 23. Section **67-3-1** is amended to read:

921 **67-3-1 (Effective 07/01/26). Functions and duties.**

922 (1)(a) The state auditor is the auditor of public accounts and is independent of any
923 executive or administrative officers of the state.
924 (b) The state auditor ~~[is not limited in the selection of personnel or in the determination
925 of the reasonable and necessary expenses of the state auditor's office]~~ may select
926 personnel to operate the state auditor's office.
927 (2) The state auditor shall examine and certify annually in respect to each fiscal year,
928 financial statements showing:
929 (a) the condition of the state's finances;
930 (b) the revenues received or accrued;
931 (c) expenditures paid or accrued;
932 (d) the amount of unexpended or unencumbered balances of the appropriations to the
933 agencies, departments, divisions, commissions, and institutions; and
934 (e) the cash balances of the funds in the custody of the state treasurer.
935 (3)(a) The state auditor shall:
936 (i) audit each permanent fund, each special fund, the General Fund, and the accounts
937 of any department of state government or any independent agency or public
938 corporation as the law requires, as the auditor determines is necessary, or upon
939 request of the governor or the Legislature;
940 (ii) perform the audits in accordance with generally accepted auditing standards and
941 other auditing procedures as promulgated by recognized authoritative bodies; and
942 (iii) as the auditor determines is necessary, conduct the audits to determine:
943 (A) honesty and integrity in fiscal affairs;
944 (B) accuracy and reliability of financial statements;
945 (C) effectiveness and adequacy of financial controls; and
946 (D) compliance with the law.
947 (b) If any state entity receives federal funding, the state auditor shall ensure that the
948 audit is performed in accordance with federal audit requirements.

949 (c)(i) The costs of the federal compliance portion of the audit may be paid from an
950 appropriation to the state auditor from the General Fund.
951 (ii) If an appropriation is not provided, or if the federal government does not
952 specifically provide for payment of audit costs, the costs of the federal compliance
953 portions of the audit shall be allocated on the basis of the percentage that each
954 state entity's federal funding bears to the total federal funds received by the state.
955 (iii) The allocation shall be adjusted to reflect any reduced audit time required to
956 audit funds passed through the state to local governments and to reflect any
957 reduction in audit time obtained through the use of internal auditors working
958 under the direction of the state auditor.

959 (4)(a) Except as provided in Subsection (4)(b), the state auditor shall, in addition to
960 financial audits, and as the auditor determines is necessary, conduct performance and
961 special purpose audits, examinations, and reviews of any entity that receives public
962 funds, including a determination of any or all of the following:
963 (i) the honesty and integrity of all the entity's fiscal affairs;
964 (ii) whether the entity's administrators have faithfully complied with legislative intent;
965 (iii) whether the entity's operations have been conducted in an efficient, effective, and
966 cost-efficient manner;
967 (iv) whether the entity's programs have been effective in accomplishing the intended
968 objectives; and
969 (v) whether the entity's management, control, and information systems are adequate,
970 effective, and secure.

971 (b) The auditor may not conduct performance and special purpose audits, examinations,
972 and reviews of any entity that receives public funds if the entity:
973 (i) has an elected auditor; and
974 (ii) has, within the entity's last budget year, had the entity's financial statements or
975 performance formally reviewed by another outside auditor.

976 (5) The state auditor:
977 (a) shall administer any oath or affirmation necessary to the performance of the duties of
978 the auditor's office; and
979 (b) may:
980 (i) subpoena witnesses and documents, whether electronic or otherwise; and
981 (ii) examine into any matter that the auditor considers necessary.

982 (6) The state auditor may require all persons who have had the disposition or management

983 of any property of this state or its political subdivisions to submit statements regarding
984 the property at the time and in the form that the auditor requires.

985 (7) The state auditor shall:

986 (a) except where otherwise provided by law, institute suits in Salt Lake County in
987 relation to the assessment, collection, and payment of revenues against:
988 (i) persons who by any means have become entrusted with public money or property
989 and have failed to pay over or deliver the money or property; and
990 (ii) all debtors of the state;

991 (b) collect and pay into the state treasury all fees received by the state auditor;

992 (c) perform the duties of a member of all boards of which the state auditor is a member
993 by the constitution or laws of the state, and any other duties that are prescribed by the
994 constitution and by law;

995 (d) stop the payment of the salary of any state official or state employee who:
996 (i) refuses to settle accounts or provide required statements about the custody and
997 disposition of public funds or other state property;
998 (ii) refuses, neglects, or ignores the instruction of the state auditor or any controlling
999 board or department head with respect to the manner of keeping prescribed
1000 accounts or funds; or
1001 (iii) fails to correct any delinquencies, improper procedures, and errors brought to the
1002 official's or employee's attention;

1003 (e) establish accounting systems, methods, and forms for public accounts in all taxing or
1004 fee-assessing units of the state in the interest of uniformity, efficiency, and economy;

1005 (f) superintend the contractual auditing of all state accounts;

1006 (g) subject to Subsection (8)(a), withhold state allocated funds or the disbursement of
1007 property taxes from a state or local taxing or fee-assessing unit, if necessary, to
1008 ensure that officials and employees in those taxing units comply with state laws and
1009 procedures in the budgeting, expenditures, and financial reporting of public funds;

1010 (h) subject to Subsection (9), withhold the disbursement of tax money from any county,
1011 if necessary, to ensure that officials and employees in the county comply with
1012 Section 59-2-303.1; and
1013 (i) withhold state allocated funds or the disbursement of property taxes from a local
1014 government entity or a limited purpose entity, as those terms are defined in Section
1015 67-1a-15 if the state auditor finds the withholding necessary to ensure that the entity
1016 registers and maintains the entity's registration with the lieutenant governor, in

1017 accordance with Section 67-1a-15.

1018 (8)(a) Except as otherwise provided by law, the state auditor may not withhold funds
1019 under Subsection (7)(g) until a state or local taxing or fee-assessing unit has received
1020 formal written notice of noncompliance from the auditor and has been given 60 days
1021 to make the specified corrections.

1022 (b) If, after receiving notice under Subsection (8)(a), a state or independent local
1023 fee-assessing unit that exclusively assesses fees has not made corrections to comply
1024 with state laws and procedures in the budgeting, expenditures, and financial reporting
1025 of public funds, the state auditor:

1026 (i) shall provide a recommended timeline for corrective actions;

1027 (ii) may prohibit the state or local fee-assessing unit from accessing money held by
1028 the state; and

1029 (iii) may prohibit a state or local fee-assessing unit from accessing money held in an
1030 account of a financial institution by filing an action in a court with jurisdiction
1031 under Title 78A, Judiciary and Judicial Administration, requesting an order of the
1032 court to prohibit a financial institution from providing the fee-assessing unit
1033 access to an account.

1034 (c) The state auditor shall remove a limitation on accessing funds under Subsection (8)(b)
1035 upon compliance with state laws and procedures in the budgeting, expenditures, and
1036 financial reporting of public funds.

1037 (d) If a local taxing or fee-assessing unit has not adopted a budget in compliance with
1038 state law, the state auditor:

1039 (i) shall provide notice to the taxing or fee-assessing unit of the unit's failure to
1040 comply;

1041 (ii) may prohibit the taxing or fee-assessing unit from accessing money held by the
1042 state; and

1043 (iii) may prohibit a taxing or fee-assessing unit from accessing money held in an
1044 account of a financial institution by:
1045 (A) contacting the taxing or fee-assessing unit's financial institution and
1046 requesting that the institution prohibit access to the account; or
1047 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and
1048 Judicial Administration, requesting an order of the court to prohibit a financial
1049 institution from providing the taxing or fee-assessing unit access to an account.

1050 (e) If the local taxing or fee-assessing unit adopts a budget in compliance with state law,

1051 the state auditor shall eliminate a limitation on accessing funds described in
1052 Subsection (8)(d).

1053 (9) The state auditor may not withhold funds under Subsection (7)(h) until a county has
1054 received formal written notice of noncompliance from the auditor and has been given 60
1055 days to make the specified corrections.

1056 (10)(a) The state auditor may not withhold funds under Subsection (7)(i) until the state
1057 auditor receives a notice of non-registration, as that term is defined in Section
1058 67-1a-15.

1059 (b) If the state auditor receives a notice of non-registration, the state auditor may
1060 prohibit the local government entity or limited purpose entity, as those terms are
1061 defined in Section 67-1a-15, from accessing:

1062 (i) money held by the state; and

1063 (ii) money held in an account of a financial institution by:

1064 (A) contacting the entity's financial institution and requesting that the institution
1065 prohibit access to the account; or

1066 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and
1067 Judicial Administration, requesting an order of the court to prohibit a financial
1068 institution from providing the entity access to an account.

1069 (c) The state auditor shall remove the prohibition on accessing funds described in
1070 Subsection (10)(b) if the state auditor received a notice of registration, as that term is
1071 defined in Section 67-1a-15, from the lieutenant governor.

1072 (11) Notwithstanding Subsection (7)(g), (7)(h), (7)(i), (8)(b), (8)(d), or (10)(b), the state
1073 auditor:

1074 (a) shall authorize a disbursement by a local government entity or limited purpose entity,
1075 as those terms are defined in Section 67-1a-15, or a state or local taxing or
1076 fee-assessing unit if the disbursement is necessary to:

1077 (i) avoid a major disruption in the operations of the local government entity, limited
1078 purpose entity, or state or local taxing or fee-assessing unit; or

1079 (ii) meet debt service obligations; and

1080 (b) may authorize a disbursement by a local government entity, limited purpose entity,
1081 or state or local taxing or fee-assessing unit as the state auditor determines is
1082 appropriate.

1083 (12)(a) The state auditor may seek relief under the Utah Rules of Civil Procedure to take
1084 temporary custody of public funds if an action is necessary to protect public funds

1085 from being improperly diverted from their intended public purpose.

1086 (b) If the state auditor seeks relief under Subsection (12)(a):

1087 (i) the state auditor is not required to exhaust the procedures in Subsection (7) or (8);
1088 and

1089 (ii) the state treasurer may hold the public funds in accordance with Section 67-4-1 if
1090 a court orders the public funds to be protected from improper diversion from their
1091 public purpose.

1092 (13) The state auditor shall:

1093 (a) establish audit guidelines and procedures for audits of local mental health and
1094 substance abuse authorities and their contract providers, conducted pursuant to Title
1095 17, Chapter 77, Local Health and Human Services, Title 26B, Chapter 5, Health Care
1096 - Substance Use and Mental Health, and Title 51, Chapter 2a, Accounting Reports
1097 from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act;
1098 and

1099 (b) ensure that those guidelines and procedures provide assurances to the state that:

1100 (i) state and federal funds appropriated to local mental health authorities are used for
1101 mental health purposes;

1102 (ii) a private provider under an annual or otherwise ongoing contract to provide
1103 comprehensive mental health programs or services for a local mental health
1104 authority is in compliance with state and local contract requirements and state and
1105 federal law;

1106 (iii) state and federal funds appropriated to local substance abuse authorities are used
1107 for substance abuse programs and services; and

1108 (iv) a private provider under an annual or otherwise ongoing contract to provide
1109 comprehensive substance abuse programs or services for a local substance abuse
1110 authority is in compliance with state and local contract requirements, and state and
1111 federal law.

1112 (14)(a) The state auditor may, in accordance with the auditor's responsibilities for
1113 political subdivisions of the state as provided in Title 51, Chapter 2a, Accounting
1114 Reports from Political Subdivisions, Interlocal Organizations, and Other Local
1115 Entities Act, initiate audits or investigations of any political subdivision that are
1116 necessary to determine honesty and integrity in fiscal affairs, accuracy and reliability
1117 of financial statements, effectiveness, and adequacy of financial controls and
1118 compliance with the law.

1119 (b) If the state auditor receives notice under Subsection 11-41-104(7) from the
1120 Governor's Office of Economic Opportunity on or after July 1, 2024, the state auditor
1121 may initiate an audit or investigation of the public entity subject to the notice to
1122 determine compliance with Section 11-41-103.

1123 (15)(a) The state auditor may not audit work that the state auditor performed before
1124 becoming state auditor.

1125 (b) If the state auditor has previously been a responsible official in state government
1126 whose work has not yet been audited, the Legislature shall:

1127 (i) designate how that work shall be audited; and

1128 (ii) provide additional funding for those audits, if necessary.

1129 (16) The state auditor shall:

1130 (a) with the assistance, advice, and recommendations of an advisory committee
1131 appointed by the state auditor from among special district boards of trustees, officers,
1132 and employees and special service district boards, officers, and employees:

1133 (i) prepare a Uniform Accounting Manual for Special Districts that:

1134 (A) prescribes a uniform system of accounting and uniform budgeting and
1135 reporting procedures for special districts under Title 17B, Limited Purpose
1136 Local Government Entities - Special Districts, and special service districts
1137 under Title 17D, Chapter 1, Special Service District Act;

1138 (B) conforms with generally accepted accounting principles; and

1139 (C) prescribes reasonable exceptions and modifications for smaller districts to the
1140 uniform system of accounting, budgeting, and reporting;

1141 (ii) maintain the manual under this Subsection (16)(a) so that the manual continues to
1142 reflect generally accepted accounting principles;

1143 (iii) conduct a continuing review and modification of procedures in order to improve
1144 them;

1145 (iv) prepare and supply each district with suitable budget and reporting forms; and

1146 (v)(A) prepare instructional materials, conduct training programs, and render other
1147 services considered necessary to assist special districts and special service
1148 districts in implementing the uniform accounting, budgeting, and reporting
1149 procedures; and

1150 (B) ensure that any training described in Subsection (16)(a)(v)(A) complies with
1151 Title 63G, Chapter 22, State Training and Certification Requirements; and

1152 (b) continually analyze and evaluate the accounting, budgeting, and reporting practices

1153 and experiences of specific special districts and special service districts selected by
1154 the state auditor and make the information available to all districts.

1155 (17)(a) The following records in the custody or control of the state auditor are protected
1156 records under Title 63G, Chapter 2, Government Records Access and Management
1157 Act:

1158 (i) records that would disclose information relating to allegations of personal
1159 misconduct, gross mismanagement, or illegal activity of a past or present
1160 governmental employee if the information or allegation cannot be corroborated by
1161 the state auditor through other documents or evidence, and the records relating to
1162 the allegation are not relied upon by the state auditor in preparing a final audit
1163 report;

1164 (ii) records and audit workpapers to the extent the workpapers would disclose the
1165 identity of an individual who during the course of an audit, communicated the
1166 existence of any waste of public funds, property, or manpower, or a violation or
1167 suspected violation of a law, rule, or regulation adopted under the laws of this
1168 state, a political subdivision of the state, or any recognized entity of the United
1169 States, if the information was disclosed on the condition that the identity of the
1170 individual be protected;

1171 (iii) before an audit is completed and the final audit report is released, records or
1172 drafts circulated to an individual who is not an employee or head of a
1173 governmental entity for the individual's response or information;

1174 (iv) records that would disclose an outline or part of any audit survey plans or audit
1175 program; and

1176 (v) requests for audits, if disclosure would risk circumvention of an audit.

1177 (b) The provisions of Subsections (17)(a)(i), (ii), and (iii) do not prohibit the disclosure
1178 of records or information that relate to a violation of the law by a governmental entity
1179 or employee to a government prosecutor or peace officer.

1180 (c) The provisions of this Subsection (17) do not limit the authority otherwise given to
1181 the state auditor to classify a document as public, private, controlled, or protected
1182 under Title 63G, Chapter 2, Government Records Access and Management Act.

1183 (d)(i) As used in this Subsection (17)(d), "record dispute" means a dispute between
1184 the state auditor and the subject of an audit performed by the state auditor as to
1185 whether the state auditor may release a record, as defined in Section 63G-2-103,
1186 to the public that the state auditor gained access to in the course of the state

1187 auditor's audit but which the subject of the audit claims is not subject to disclosure
1188 under Title 63G, Chapter 2, Government Records Access and Management Act.

1189 (ii) The state auditor may submit a record dispute to the director of the Government
1190 Records Office, created in Section 63A-12-202, for a determination of whether the
1191 state auditor may, in conjunction with the state auditor's release of an audit report,
1192 release to the public the record that is the subject of the record dispute.

1193 (iii) The state auditor or the subject of the audit may seek judicial review of the
1194 director's determination, described in Subsection (17)(d)(ii), as provided in
1195 Section 63G-2-404.

1196 (18) If the state auditor conducts an audit of an entity that the state auditor has previously
1197 audited and finds that the entity has not implemented a recommendation made by the
1198 state auditor in a previous audit, the state auditor shall notify the Legislative
1199 Management Committee through the Legislative Management Committee's Audit
1200 Subcommittee that the entity has not implemented that recommendation.

1201 (19) The state auditor shall, with the advice and consent of the Senate, appoint the state
1202 privacy auditor described in Section 67-3-13.

1203 (20) Except as provided in Subsection (21), the state auditor shall report, or ensure that
1204 another government entity reports, on the financial, operational, and performance
1205 metrics for the state system of higher education and the state system of public education,
1206 including metrics in relation to students, programs, and schools within those systems.

1207 (21)(a) Notwithstanding Subsection (20), the state auditor shall conduct regular audits of:
1208

1209 (i) the scholarship granting organization for the Carson Smith Opportunity
1210 Scholarship Program, created in Section 53E-7-402;
1211 (ii) the State Board of Education for the Carson Smith Scholarship Program, created
1212 in Section 53F-4-302; and
1213 (iii) the scholarship program manager for the Utah Fits All Scholarship Program,
1214 created in Section 53F-6-402, including an analysis of the cost effectiveness of the
1215 program, taking into consideration the amount of the scholarship and the amount
1216 of state and local funds dedicated on a per-student basis within the traditional
public education system.

1217 (b) Nothing in this subsection limits or impairs the authority of the State Board of
1218 Education to administer the programs described in Subsection (21)(a).

1219 (22) The state auditor shall, based on the information posted by the Office of Legislative
1220 Research and General Counsel under Subsection 36-12-12.1(2), for each policy, track

1221 and post the following information on the state auditor's website:

1222 (a) the information posted under Subsections 36-12-12.1(2)(a) through (e);
1223 (b) an indication regarding whether the policy is timely adopted, adopted late, or not
1224 adopted;
1225 (c) an indication regarding whether the policy complies with the requirements
1226 established by law for the policy; and
1227 (d) a link to the policy.

1228 (23)(a) A legislator may request that the state auditor conduct an inquiry to determine
1229 whether a government entity, government official, or government employee has
1230 complied with a legal obligation directly imposed, by statute, on the government
1231 entity, government official, or government employee.
1232 (b) The state auditor may, upon receiving a request under Subsection (23)(a), conduct
1233 the inquiry requested.
1234 (c) If the state auditor conducts the inquiry described in Subsection (23)(b), the state
1235 auditor shall post the results of the inquiry on the state auditor's website.
1236 (d) The state auditor may limit the inquiry described in this Subsection (23) to a simple
1237 determination, without conducting an audit, regarding whether the obligation was
1238 fulfilled.

1239 (24) The state auditor shall:

1240 (a) ensure compliance with Title 63G, Chapter 31, Distinctions on the Basis of Sex, in
1241 accordance with Section 63G-31-401; and
1242 (b) report to the Legislative Management Committee, upon request, regarding the state
1243 auditor's actions under this Subsection (24).

1244 (25) The state auditor shall report compliance with Sections 67-27-107, 67-27-108, and
1245 67-27-109 by:

1246 (a) establishing a process to receive and audit each alleged violation; and
1247 (b) reporting to the Legislative Management Committee, upon request, regarding the
1248 state auditor's findings and recommendations under this Subsection (25).

1249 (26) The state auditor shall ensure compliance with Section 63G-1-704 regarding the
1250 display of flags in or on government property.

1251 (27)(a) On or before January 31 each year, the state auditor shall prepare a report that
1252 states, for each entity that holds public funds as defined in Section 51-7-3, the entity's
1253 total balance, as of the last day of the immediately preceding fiscal year, of cash, cash
1254 equivalents, and investments, as those terms are defined under the standards

1255 established by the Governmental Accounting Standards Board.

1256 (b) The state auditor shall make the report described in Subsection (27)(a) publicly
1257 available on a website that the state auditor maintains.

1258 Section 24. Section **79-6-410** is enacted to read:

1259 **79-6-410 (Effective 07/01/26). Energy Development Infrastructure Fund.**

1260 (1) As used in this section, "public entity" means a state agency, county, municipality,
1261 special district, special service district, an intergovernmental entity organized under state
1262 law, or the military installation development authority created in Section 63H-1-201.

1263 (2) There is created a revolving loan fund known as the Energy Development Infrastructure
1264 Fund.

1265 (3) The fund consists of:

1266 (a) money the Legislature appropriates to the fund;

1267 (b) money received for repayment of a loan made from the fund; and

1268 (c) interest earned on money in the fund.

1269 (4) The office may use money in the fund to make one or more loans to one or more public
1270 entities to finance infrastructure development that supports nuclear power generation
1271 and transmission in the state.

1272 (5)(a) A public entity that borrows money from the fund shall enter into a loan
1273 agreement with the office for repayment of the money.

1274 (b)(i) The office shall ensure that a loan under this section is secured by:

1275 (A) bonds, notes, or another evidence of indebtedness validly issued under state
1276 law; or

1277 (B) revenue generated from the project.

1278 (ii) The security provided under Subsection (5)(b)(i) may include the borrower's
1279 pledge of some or all of a revenue source that the borrower controls.

1280 (c) A loan under this section shall bear interest at a rate not to exceed .5% above bond
1281 market interest rates available to the state.

1282 (6) The office may provide conditions in the loan agreement described in Subsection (5) to
1283 ensure that:

1284 (a) the proceeds of the loan will be used to pay the cost of the project; and

1285 (b) the project will be completed.

1286 (7) The office shall administer and enforce a loan under this section according to the terms
1287 of the loan agreement.

1288 Section 25. Section **79-6-1105** is amended to read:

1289 **79-6-1105 (Effective 07/01/26). Electrical Energy Development Investment Fund.**

1290 (1) There is created [an expendable] a special revenue fund known as the "Electrical Energy
1291 Development Investment Fund."

1292 (2) The fund consists of:

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

1294 (b) revenue from the radioactive waste facility expansion tax collected under Section
1295 59-24-103.8; and

1296 (c) revenue from a tax on new generators of radioactive waste as described in Subsection
1297 59-24-103.5(3).

1298 (3) The council shall:

1299 (a) administer the fund; and

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

1301 **Section 26. Repealer.**

1302 This bill repeals:

1303 **Section 19-2-301, Title.**

1304 **Section 19-2-302, Definitions.**

1305 **Section 19-2-303, Grants and programs -- Conditions.**

1306 **Section 19-2-304, Duties and authorities -- Rulemaking.**

1307 **Section 23A-3-204, Wildlife Resources Conservation Easement Restricted Account.**

1308 **Section 23A-3-206, Donations related to donation of wild game meat -- Wild Game Meat
1309 Donation Fund.**

1310 **Section 51-9-701, Title.**

1311 **Section 51-9-702, Navajo Water Rights Negotiation Account -- Settlement.**

1312 **Section 63M-14-501, Colorado River Authority Restricted Account.**

1313 **Section 27. FY 2026 Appropriations.**

1314 The following sums of money are appropriated for the fiscal year beginning July 1,
1315 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for
1316 fiscal year 2026.

1317 **Subsection 27(a). Operating and Capital Budgets**

1318 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
1319 Legislature appropriates the following sums of money from the funds or accounts indicated for
1320 the use and support of the government of the state of Utah.

1321 ITEM 1 To Department of Natural Resources - Office of Energy Development

1322 From General Fund, One-time

(5,000,000)

1323	Schedule of Programs:	
1324	Office of Energy Development	(5,000,000)
1325	Subsection 27(b). Business-like Activities	
1326	The Legislature has reviewed the following proprietary funds. Under the terms and	
1327	conditions of Utah Code 63J-1-410, for any included Internal Service Fund, the Legislature	
1328	approves budgets, full-time permanent positions, and capital acquisition amounts as indicated,	
1329	and appropriates to the funds, as indicated, estimated revenue from rates, fees, and other	
1330	charges. The Legislature authorizes the State Division of Finance to transfer amounts between	
1331	funds and accounts as indicated.	
1332	ITEM 2 To Department of Natural Resources - Energy Development Infrastructure Fund	
1333	From General Fund, One-time	5,000,000
1334	Schedule of Programs:	
1335	Energy Development Infrastructure Fund	5,000,000
1336	Section 28. FY 2027 Appropriations.	
1337	The following sums of money are appropriated for the fiscal year beginning July 1,	
1338	2026, and ending June 30, 2027. These are additions to amounts previously appropriated for	
1339	fiscal year 2027.	
1340	Subsection 28(a). Operating and Capital Budgets	
1341	Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the	
1342	Legislature appropriates the following sums of money from the funds or accounts indicated for	
1343	the use and support of the government of the state of Utah.	
1344	ITEM 3 To Office of the Governor - Colorado River Authority of Utah	
1345	From General Fund	1,638,500
1346	Schedule of Programs:	
1347	Colorado River Authority of Utah	1,638,500
1348	Subsection 28(b). Restricted Fund and Account Transfers	
1349	The Legislature authorizes the State Division of Finance to transfer the following	
1350	amounts between the following funds or accounts as indicated. Expenditures and outlays from	
1351	the funds to which the money is transferred must be authorized by an appropriation.	
1352	ITEM 4 To General Fund Restricted - Colorado River Authority Restricted Account	
1353	From General Fund	(1,638,500)
1354	Schedule of Programs:	
1355	Colorado River Authority Restricted Account	(1,638,500)
1356	The Legislature intends that the Division of	

Finance transfer any balances remaining in the Colorado River Authority Restricted Account after fiscal year 2026 closeout to Office of the Governor - Colorado River Authority of Utah line item.

Section 29. Effective Date.

1362 This bill takes effect on July 1, 2026.