

Val L. Peterson proposes the following substitute bill:

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

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to public funds.

**Highlighted Provisions:**

This bill:

▸ changes the name of:

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

▸ repeals the following accounts and funds, including related references:

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

Alternative Fuel Grant Program;

- the Wildlife Resources Conservation Easement Account;
- the Wild Game Meat Donation Fund; and
- the Colorado River Authority Restricted Account;

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

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

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

▸ modifies certain reporting requirements for a competitive grant;

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

- 29           ▶ amends the administration of the Industrial Assistance Account (account) by:
- 30                 • replacing the annual transfer to the account with an annual set aside; and
- 31                 • directing the GOEO board to make recommendations to the administrator regarding
- 32 applications for loans, grants, or other financial assistance from the account;
- 33           ▶ addresses the state auditor's authority related to:
- 34                 • expenses and personnel; and
- 35                 • performing audits of funds and accounts to determine compliance with the law;
- 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;
- 39           ▶ makes technical and conforming changes; and
- 40           ▶ includes a coordination clause that coordinates this bill with H.B. 473, Colorado River
- 41 Authority Amendment, if both bills pass and become law.

42 **Money Appropriated in this Bill:**

43           This bill appropriates (\$5,000,000) in operating and capital budgets for fiscal year 2026,

44 all of which is from the General Fund.

45           This bill appropriates \$5,000,000 in business-like activities for fiscal year 2026, all of which is

46 from the General Fund.

47           This bill appropriates \$1,638,500 in operating and capital budgets for fiscal year 2027, all of

48 which is from the General Fund.

49           This bill appropriates (\$1,638,500) in restricted fund and account transfers for fiscal year 2027,

50 all of which is from the General Fund.

51 **Other Special Clauses:**

52           This bill provides a special effective date.

53           This bill provides a coordination clause.

54 **Utah Code Sections Affected:**

55 AMENDS:

56           **4-46-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special

57 Session, Chapter 16

58           **4-46-202 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah

59 2023, Chapter 180

60           **4-46-301 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 143

61           **4-46-302 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special

62 Session, Chapter 15

63 **4-46-303 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 271  
64 **4-46-304 (Effective 07/01/26) (Partially Repealed 07/01/27)**, as last amended by Laws of  
65 Utah 2025, Chapter 91  
66 **4-46-401 (Effective 07/01/26) (Partially Repealed 07/01/27)**, as last amended by Laws of  
67 Utah 2023, Chapter 34  
68 **17-81-501 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,  
69 First Special Session, Chapter 14  
70 **39A-8-104 (Effective 07/01/26)**, as last amended by Laws of Utah 2023, Chapter 180  
71 **63C-25-101 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah  
72 2025, Chapter 105  
73 **63G-6b-101 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300  
74 **63G-6b-201 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300  
75 **63G-6b-301 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300  
76 **63G-6b-401 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300  
77 **63I-1-223 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Third Special  
78 Session, Chapter 5  
79 **63I-2-263 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapters 182,  
80 273 and 277  
81 **63J-1-105 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 382  
82 **63J-1-217 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 456  
83 **63J-1-602.2 (Effective 07/01/26) (Partially Repealed 07/01/29)**, as last amended by Laws  
84 of Utah 2025, First Special Session, Chapter 17  
85 **63M-14-102 (Effective 07/01/26)**, as enacted by Laws of Utah 2021, Chapter 179  
86 **63N-3-103 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 282  
87 **63N-3-105 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 159  
88 **63N-3-106 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 113  
89 **67-3-1 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special  
90 Session, Chapter 17  
91 **79-6-1105 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, Chapter 375

## 92 ENACTS:

93 **79-6-410 (Effective 07/01/26)**, Utah Code Annotated 1953

## 94 REPEALS:

95 **19-2-301 (Effective 07/01/26) (Repealed 07/01/29)**, as enacted by Laws of Utah 2015,  
96 Chapter 381

97 **19-2-302 (Effective 07/01/26) (Repealed 07/01/29)**, as last amended by Laws of Utah  
 98 2016, Chapter 369

99 **19-2-303 (Effective 07/01/26) (Repealed 07/01/29)**, as last amended by Laws of Utah  
 100 2016, Chapter 369

101 **19-2-304 (Effective 07/01/26) (Repealed 07/01/29)**, as last amended by Laws of Utah  
 102 2016, Chapter 369

103 **23A-3-204 (Effective 07/01/26) (Partially Repealed 07/01/27)**, as renumbered and  
 104 amended by Laws of Utah 2023, Chapter 103

105 **23A-3-206 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2023,  
 106 Chapter 103

107 **51-9-701 (Effective 07/01/26)**, as enacted by Laws of Utah 2012, Chapter 276

108 **51-9-702 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 412

109 **63M-14-501 (Effective 07/01/26)**, as enacted by Laws of Utah 2021, Chapter 179

110 **Utah Code Sections affected by Coordination Clause:**

111 **63M-14-501 (07/01/26)**, as enacted by Laws of Utah 2021, Chapter 179

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

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

115 **4-46-102 (Effective 07/01/26). Definitions.**

116 As used in this chapter:

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

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

120 [(2)] (3) "Board" means the Land Conservation Board established in Section 4-46-201.

121 [(3)] (4) "Conservation commission" means the Conservation Commission created in  
 122 Section 4-18-104.

123 [(4)] (5) "Conservation district" means a limited purpose local government entity created  
 124 under Title 17D, Chapter 3, Conservation District Act.

125 [(5)] (6) "Director" means the director of the Division of Conservation.

126 [(6)] (7) "Division" means the Division of Conservation created in Section 4-46-401.

127 [(7) "Fund" means the LeRay McAllister Working Farm and Ranch Fund created in Section  
 128 4-46-301.]

129 (8) "Land use authority" means:

130 (a) a land use authority, as defined in Section 10-20-102, of a municipality; or

- 131 (b) a land use authority, as defined in Section 17-79-102, of a county.
- 132 (9) "Local entity" means a county, city, or town.
- 133 (10)(a) "Open land" means land that is:
- 134 (i) preserved in or restored to a predominantly natural, open, and undeveloped
- 135 condition; and
- 136 (ii) used for:
- 137 (A) wildlife habitat;
- 138 (B) cultural or recreational use;
- 139 (C) watershed protection; or
- 140 (D) another use consistent with the preservation of the land in, or restoration of
- 141 the land to, a predominantly natural, open, and undeveloped condition.
- 142 (b) "Open land" includes land described in Subsection (10)(a) that contains facilities,
- 143 including trails, waterways, and grassy areas, that:
- 144 (i) enhance the natural, scenic, or aesthetic qualities of the land; or
- 145 (ii) facilitate the public's access to or use of the land for the enjoyment of the land's
- 146 natural, scenic, or aesthetic qualities and for compatible recreational activities.
- 147 (c) "Open land" does not include land whose predominant use is as a developed facility
- 148 for active recreational activities, including baseball, tennis, soccer, golf, or other
- 149 sporting or similar activities.
- 150 (11)(a) "State conservation efforts" includes:
- 151 (i) efforts to optimize and preserve the uses of land for the benefit of the state's
- 152 agricultural industry and natural resources; and
- 153 (ii) conservation of working landscapes that if conserved, preserves the state's
- 154 agricultural industry and natural resources, such as working agricultural land.
- 155 (b) "State conservation efforts" does not include the purpose of opening private property
- 156 to public access without the consent of the owner of the private property.
- 157 (12)(a) "Working agricultural land" means agricultural land for which an owner or
- 158 producer engages in the activity of producing for commercial purposes crops,
- 159 orchards, livestock, poultry, aquaculture, livestock products, or poultry products and
- 160 the facilities, equipment, and property used to facilitate the activity.
- 161 (b) "Working agricultural land" includes an agricultural protection area established
- 162 under Title 17, Chapter 81, Agriculture, Industrial, and Critical Infrastructure
- 163 Materials.
- 164 Section 2. Section **4-46-202** is amended to read:

165 **4-46-202 (Effective 07/01/26) (Repealed 07/01/27). Board duties and powers -- No**  
 166 **regulatory authority -- Criteria.**

167 (1) The board shall:

168 (a) administer the [~~fund~~] account as provided in this chapter; and

169 (b) fulfill other responsibilities imposed on the board by the Legislature.

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

171 (3) In carrying out the board's powers and duties under this chapter, the board shall adopt  
 172 ranking criteria that is substantially similar to the ranking criteria used by the  
 173 Agriculture Conservation Easement Program and Agriculture Land Easement as  
 174 determined by the Natural Resources Conservation Service under the United States  
 175 Department of Agriculture.

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

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

178 **4-46-301 (Effective 07/01/26). LeRay McAllister Working Farm and Ranch**  
 179 **Account.**

180 (1) There is created a restricted account within the General Fund entitled the "LeRay  
 181 McAllister Working Farm and Ranch [~~Fund~~] Account."

182 (2) The LeRay McAllister Working Farm and Ranch [~~Fund~~] Account shall consist of:

183 (a) appropriations by the Legislature;

184 (b) grants from federal or private sources;

185 (c) revenue paid in accordance with Section 59-2-506, 59-2-511, 59-2-1705, or  
 186 59-2-1710; and

187 (d) interest and earnings from the account.

188 (3) The Land Conservation Board created in Section 4-46-201 may use appropriations from  
 189 the [~~fund~~] account in accordance with Section 4-46-302.

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

191 **4-46-302 (Effective 07/01/26). Program -- Use of money in account -- Criteria --**  
 192 **Administration.**

193 (1) Subject to Subsection (2), the board shall administer the LeRay McAllister Working  
 194 Farm and Ranch [~~Fund~~] Account Program under which the board may authorize the use  
 195 of money in the fund, by grant, to:

196 (a) a local entity;

197 (b) the Department of Natural Resources created under Section 79-2-201;

198 (c) an entity within the department; or

- 199 (d) a charitable organization that qualifies as being tax exempt under Section 501(c)(3),  
200 Internal Revenue Code.
- 201 (2)(a) The money in the [fund] account shall be used for preserving or restoring open  
202 land and agricultural land.
- 203 (b) Except as provided in Subsection (2)(c), money from the [fund] account:
- 204 (i) may be used to:
- 205 (A) establish a conservation easement under Title 57, Chapter 18, Land  
206 Conservation Easement Act; or
- 207 (B) fund similar methods to preserve open land or agricultural land; and
- 208 (ii) may not be used to purchase a fee interest in real property to preserve open land  
209 or agricultural land.
- 210 (c) Money from the [fund] account may be used to purchase a fee interest in real property  
211 to preserve open land or agricultural land if:
- 212 (i) the property to be purchased is no more than 20 acres in size; and
- 213 (ii) with respect to a parcel purchased in a county in which over 50% of the land area  
214 is publicly owned, real property roughly equivalent in size and located within that  
215 county is contemporaneously transferred to private ownership from the  
216 governmental entity that purchased the fee interest in real property.
- 217 (d) Eminent domain may not be used or threatened in connection with any purchase  
218 using money from the [fund] account.
- 219 (e) A parcel of land larger than 20 acres in size may not be divided to create one or more  
220 parcels that are smaller than 20 acres in order to comply with Subsection (2)(c)(i).
- 221 (f) A local entity, department, or organization under Subsection (1) may not receive  
222 money from the [fund] account unless the local entity, department, or organization  
223 provides matching funds equal to or greater than the amount of money received from  
224 the [fund] account.
- 225 (g) In granting money from the [fund] account, the board may impose conditions on the  
226 recipient as to how the money is to be spent.
- 227 (h) The board shall give priority to:
- 228 (i) working agricultural land; and
- 229 (ii) after giving priority to working agricultural land under Subsection (2)(h)(i),  
230 requests from the Department of Natural Resources for up to 20% of each annual  
231 increase in the amount of money in the [fund] account if the money is used for the  
232 protection of wildlife or watershed.

- 233 (i)(i) The board may not make a grant from the [~~fund~~] account that exceeds  
234 \$1,000,000 until after making a report to the Legislative Management Committee  
235 about the grant.
- 236 (ii) The Legislative Management Committee may make a recommendation to the  
237 board concerning the intended grant, but the recommendation is not binding on  
238 the board.
- 239 (3) In determining the amount and type of financial assistance to provide a local entity,  
240 department, or organization under Subsection (1) and subject to Subsection (2)(i), the  
241 board shall consider:
- 242 (a) the nature and amount of open land and agricultural land proposed to be preserved or  
243 restored;
- 244 (b) the qualities of the open land and agricultural land proposed to be preserved or  
245 restored;
- 246 (c) the cost effectiveness of the project to preserve or restore open land or agricultural  
247 land;
- 248 (d) the funds available;
- 249 (e) the number of actual and potential applications for financial assistance and the  
250 amount of money sought by those applications;
- 251 (f) the open land preservation plan of the local entity where the project is located and the  
252 priority placed on the project by that local entity;
- 253 (g) the effects on housing affordability and diversity; and
- 254 (h) whether the project protects against the loss of private property ownership.
- 255 (4) If a local entity, department, or organization under Subsection (1) seeks money from the [~~fund~~]  
256 account for a project whose purpose is to protect critical watershed, the board shall  
257 require that the needs and quality of that project be verified by the state engineer.
- 258 (5) An interest in real property purchased with money from the [~~fund~~] account shall be held  
259 and administered by the state or a local entity.
- 260 (6)(a) The board may not authorize the use of money under this section for a project  
261 unless the land use authority for the land in which the project is located consents to  
262 the project.
- 263 (b)(i) To obtain consent to a project, the person who is seeking money from the [~~fund~~]  
264 account shall submit a request for consent to a project with the applicable land use  
265 authority.
- 266 (ii) The land use authority may grant or deny consent.

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

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

273 (i) Title 10, Chapter 20, Municipal Land Use, Development, and Management Act; or

274 (ii) Title 17, Chapter 79, County Land Use, Development, and Management Act.

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

276 **4-46-303 (Effective 07/01/26). Board to report annually.**

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

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

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

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

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

285 **4-46-304 (Effective 07/01/26) (Partially Repealed 07/01/27). Agriculture**  
 286 **Conservation Easement Fund.**

287 (1) There is created an expendable special revenue fund known as the Agriculture  
 288 Conservation Easement ~~[Account]~~ Fund.

289 (2) The Agriculture Conservation Easement ~~[Account]~~ Fund consists of:

290 (a) conservation easement stewardship fees;

291 (b) grants from private foundations;

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

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

294 (e) donations from landowners for monitoring and enforcing compliance with  
 295 conservation easements;

296 (f) donations from any other person; and

297 (g) interest on ~~[account]~~ fund money.

298 (3) The department shall use money from the ~~[account]~~ fund to monitor and enforce  
 299 compliance with conservation easements held by the department.

300 (4) The department may not receive or expend donations from the ~~[account]~~ fund to acquire

301 conservation easements.

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

303 **4-46-401 (Effective 07/01/26) (Partially Repealed 07/01/27). Division of**  
 304 **Conservation created -- Director.**

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

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

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

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

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

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

312 (c) coordinating with an agency or division within the department, the Department of  
 313 Natural Resources, other state agencies, counties, cities, towns, local land trust  
 314 entities, and federal agencies;

315 (d) facilitating obtaining federal funds in addition to state funds used for state  
 316 conservation efforts;

317 (e) monitoring and providing for the management of conservation easements on state  
 318 lands[, including coordination with the Division of Wildlife Resources in the  
 319 Division of Wildlife Resources' administration of Section 23A-3-204]; and

320 (f) implementing rules made by the department in accordance with Title 63G, Chapter 3,  
 321 Utah Administrative Rulemaking Act, and Section 4-46-403.

322 (4) The division may cooperate with, or enter into agreements with, other agencies of this  
 323 state and federal agencies in the administration and enforcement of this chapter.

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

325 **17-81-501 (Effective 07/01/26). Use of money -- Criteria -- Administration.**

326 (1) The county treasurer shall deposit 100% of the rollback tax funds into an account or  
 327 fund of the county set aside for preserving or restoring open land and agricultural land.

328 (2) The rollback funds:

329 (a) may be used to establish a conservation easement under Title 57, Chapter 18, Land  
 330 Conservation Easement Act, or to fund similar methods to preserve open land or  
 331 agricultural land; and

332 (b) if the property to be purchased is in a public land county, may not be used to  
 333 purchase a fee interest in real property to preserve open land or agricultural land,  
 334 unless, the governmental entity purchasing the property contemporaneously transfers

335 to the private ownership real property, in the same public land county, that is roughly  
336 equivalent in size to the property to be purchased.

337 (3) Eminent domain may not be used or threatened in connection with any purchase using  
338 the rollback tax funds.

339 (4) The funds collected by the account or fund of the county may roll over from  
340 year-to-year, except that if the county does not spend, or obligate, 100% of the rollback  
341 tax funds for a purpose described in Subsection (2) within 10 years after the year in  
342 which the county collects the rollback tax funds, the county shall pay the balance to the  
343 LeRay McAllister Working Farm and Ranch [~~Fund~~] Account created in Section 4-46-301.

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

345 **39A-8-104 (Effective 07/01/26). Committee responsibilities.**

346 (1) The committee shall:

- 347 (a) identify lands to be included in the designated sentinel landscape;
- 348 (b) develop strategies and recommendations to encourage landowners within the sentinel  
349 landscape to voluntarily participate in and begin or continue land uses compatible  
350 with Camp Williams's military mission; and
- 351 (c) publish any policies and procedures as administrative rules in accordance with Title  
352 63G, Chapter 3, Utah Administrative Rulemaking Act.

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

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

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

- 361 (a) the director of the Department of Defense Readiness and Environmental Protection  
362 Integration Program; and
- 363 (b) the director of the National Guard Bureau Army Compatible Use Buffer Program, as  
364 authorized under 10 U.S.C. Sec. 2684(a).

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

- 367 (a) the governor;
- 368 (b) the Government Operations Interim Committee; and

369 (c) the Executive Appropriations Committee.

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

371 **63C-25-101 (Effective 07/01/26) (Repealed 07/01/27). Definitions.**

372 As used in this chapter:

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

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

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

377 (b) "Bonding government entity" includes:

378 (i) a bonding political subdivision; and

379 (ii) a public infrastructure district that is authorized to issue bonds either directly, or  
380 through the authority of a bonding political subdivision or other governmental  
381 entity.

382 (4) "Bonding political subdivision" means:

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

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

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

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

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

388 (f) the Utah Fairpark Area Investment and Restoration District, created in Section  
389 11-70-201.

390 (5) "Commission" means the State Finance Review Commission created in Section  
391 63C-25-201.

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

393 (a) operates, finances, maintains, or constructs a government facility under a contract  
394 with a bonding political subdivision; and

395 (b) is not a bonding government entity.

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

397 (a) between a bonding government entity and a concessionaire for the operation, finance,  
398 maintenance, or construction of a government facility;

399 (b) that authorizes the concessionaire to operate the government facility for a term of  
400 five years or longer, including any extension of the contract; and

401 (c) in which all or some of the annual source of payment to the concessionaire comes  
402 from state funds provided to the bonding government entity.

- 403 (8) "Creating entity" means the same as that term is defined in Section 17D-4-102.
- 404 (9) "Government facility" means infrastructure, improvements, or a building that:
- 405 (a) costs more than \$5,000,000 to construct; and
- 406 (b) has a useful life greater than five years.
- 407 (10) "Large public transit district" means the same as that term is defined in Section
- 408 17B-2a-802.
- 409 (11) "Loan entity" means the board, person, unit, or agency with legal responsibility for
- 410 making a loan from a revolving loan fund.
- 411 (12) "Obligation" means the same as that term is defined in Section 63B-1-303.
- 412 (13) "Parameters resolution" means a resolution of a bonding government entity that sets
- 413 forth for proposed bonds:
- 414 (a) the maximum:
- 415 (i) amount of bonds;
- 416 (ii) term; and
- 417 (iii) interest rate; and
- 418 (b) the expected security for the bonds.
- 419 (14) "Public infrastructure district" means a public infrastructure district created under Title
- 420 17D, Chapter 4, Public Infrastructure District Act.
- 421 (15) "Revolving loan fund" means:
- 422 (a) the Water Resources Conservation and Development Fund, created in Section
- 423 73-10-24;
- 424 (b) the Water Resources Construction Fund, created in Section 73-10-8;
- 425 (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels
- 426 and Emission Reduction Technology Program Act;
- 427 (d) the Water Development Security Fund and its subaccounts, created in Section
- 428 73-10c-5;
- 429 (e) the Agriculture Resource Development Fund, created in Section 4-18-106;
- 430 (f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;
- 431 (g) the Permanent Community Impact Fund, created in Section 35A-8-303;
- 432 (h) the Petroleum Storage Tank Fund, created in Section 19-6-409;
- 433 (i) the School Building Revolving Account, created in Section 53F-9-206;
- 434 (j) the State Infrastructure Bank Fund, created in Section 72-2-202;
- 435 (k) the Uintah Basin Revitalization Fund, created in Section 35A-8-1602;
- 436 (l) the Navajo Revitalization Fund, created in Section 35A-8-1704;

- 437 (m) the Energy Efficiency Fund, created in Section 11-45-201;
- 438 (n) the Brownfields Fund, created in Section 19-8-120;
- 439 (o) any of the enterprise revolving loan funds created in Section [~~63A-3-402; and~~  
440 63A-3-402;
- 441 (p) the Energy Development Infrastructure Fund, created in Section 79-6-410; and  
442 ~~[(p)]~~ (q) any other revolving loan fund created in statute where the borrower from the  
443 revolving loan fund is a public non-profit entity or political subdivision, including a  
444 fund listed in Section 63A-3-205, from which a loan entity is authorized to make a  
445 loan.

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

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

449 (i) a revolving loan fund; or

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

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

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

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

454 Section 11. Section **63G-6b-101** is amended to read:

455 **63G-6b-101 (Effective 07/01/26). Definitions.**

456 As use in this chapter:

457 (1)(a) "Administering agency" means a state agency that administers a grant.

458 (b) "Administering agency" includes a state agency that wholly or partially administers a  
459 grant on another state agency's behalf.

460 (2) "Competitive grant" means a grant that is not a direct award grant.

461 (3) "Direct award grant" means a grant that is funded by money that the Legislature intends  
462 the state agency to pass through to one or more recipients without a competitive process.

463 (4)(a) "Grant" means a state agency's expenditure of state money, or agreement to  
464 expend state money, that is:

465 (i) authorized by law;

466 (ii) made for a particular purpose; and

467 (iii) made without acquiring, or the promise of acquiring, a procurement item in  
468 exchange for the expenditure.

469 (b) "Grant" does not include:

470 (i) a tax credit;

- 471 (ii) an expenditure of federal money;
- 472 (iii) public assistance, as defined in Section 26B-9-101;
- 473 (iv) a loan;
- 474 (v) a rebate;
- 475 (vi) an incentive; or
- 476 (vii) a claim payment.
- 477 (5) "Grant agreement" means the agreement between an administering agency and a grant
- 478 recipient described in Subsection 63G-6b-201(4).
- 479 [~~5~~] (6) "Grant appropriation" means an appropriation the Legislature makes to an
- 480 administering agency to be used for one or more grants.
- 481 [~~6~~] (7) "Grant period" means the time frame during which a grant recipient receives funds
- 482 from a single grant.
- 483 [~~7~~] (8) "Multi-year grant" means a grant for which the grant period exceeds one year.
- 484 [~~8~~] (9) "Nonprofit entity" means an entity that:
- 485 (a) operates in the state;
- 486 (b) is not a government entity; and
- 487 (c) is exempt from federal income taxation under Section 501(c)(3), Internal Revenue
- 488 Code.
- 489 [~~9~~] (10) "Procurement item" means the same as that term is defined in Section 63G-6a-103.
- 490 [~~10~~] (11)(a) "State agency" means a department, division, or other agency or
- 491 instrumentality of the state.
- 492 (b) "State agency" does not include the legislative department.
- 493 [~~11~~] (12) "State money" means money that is derived from state fees or state tax revenue.
- 494 Section 12. Section **63G-6b-201** is amended to read:
- 495 **63G-6b-201 (Effective 07/01/26). Requirements for all grants.**
- 496 (1)(a) An administering agency shall disburse grant funds in accordance with this
- 497 Subsection (1).
- 498 (b) Before an administering agency disburses a grant's grant funds, the administering
- 499 agency shall ensure that the grant recipient provides a detailed budget demonstrating
- 500 how the grant recipient will use the grant funds.
- 501 (c) An administering agency shall establish a distribution schedule that ensures
- 502 accountability and responsible oversight of the use of the grant funds.
- 503 (d) An administering agency may not:
- 504 (i) disburse all grant funds in a single payment, unless the administering agency

- 505 makes the single payment after the grant recipient satisfies the grant recipient's  
506 performance obligations under the [~~agreement described in Subsection (4)] grant  
507 agreement; or~~
- 508 (ii) make a grant recipient's final disbursement before the grant recipient delivers the  
509 report described in Subsection (3).
- 510 (2) For a multi-year grant:
- 511 (a) the grant period may not exceed five years; and
- 512 (b) in the final quarter of each year of the grant period, excluding the final year, the grant  
513 recipient shall deliver to the administering agency a report that details the grant  
514 recipient's progress towards fulfilling the grant's purpose, including the annual  
515 deliverables and performance metrics described in the [~~agreement made in~~  
516 ~~accordance with Subsection (4)] grant agreement.~~
- 517 (3) An administering agency may not make the final grant funds disbursement until:
- 518 (a) the grant recipient delivers to the administering agency a final report that details the  
519 extent to which the grant recipient fulfilled the grant's purpose, including the  
520 deliverables and performance metrics described in the [~~agreement made in~~  
521 ~~accordance with Subsection (4)] grant agreement; and~~
- 522 (b) the administering agency determines that the grant recipient satisfactorily produced  
523 each deliverable provided in the [~~agreement described in Subsection (4)] grant  
524 agreement.~~
- 525 (4) Except as otherwise provided in the grant appropriation and consistent with the other  
526 provisions of this section, an administering agency may not disburse grant funds to a  
527 grant recipient before the administering agency and the grant recipient execute an  
528 agreement that contains:
- 529 (a) the disbursement schedule for the grant funds;
- 530 (b) the deliverables, reporting, and performance metrics the grant recipient will produce  
531 and use to demonstrate that the grant recipient used the grant funds to fulfill the  
532 grant's purpose;
- 533 (c) if the grant is a multi-year grant, annual deliverables and performance metrics the  
534 grant recipient will produce and use to demonstrate sufficient progress towards  
535 fulfilling the grant's purpose;
- 536 (d) a provision informing the grant recipient that disbursement of grant funds is subject  
537 to legislative appropriation; and
- 538 (e) the grant recipient's consent to follow-up audit and clawback of the grant funds if an

539 audit shows that the grant funds were inappropriately used.

540 (5)(a) In accordance with Utah Constitution, Article VI, Section 33, the legislative  
541 auditor general may audit the use of any grant funds.

542 (b) The state auditor may audit grant funds as provided in Utah Constitution, Article VII,  
543 Section 15.

544 Section 13. Section **63G-6b-301** is amended to read:

545 **63G-6b-301 (Effective 07/01/26). Direct award grant requirements.**

546 (1)(a) A direct award grant is valid only if the direct award grant's grant appropriation  
547 identifies the recipient or class of recipients in the grant appropriation's intent  
548 language.

549 (b) For a grant appropriation that is an ongoing appropriation to fund a multi-year grant,  
550 the requirement to identify the recipient or class of recipients applies each fiscal year.

551 (2) If the intent language for a direct award grant's grant appropriation provides a  
552 disbursement schedule that is inconsistent with the [~~schedule described in Section~~  
553 ~~63G-6b-202~~] requirements described in Section 63G-6b-201, for the fiscal year in which  
554 the grant appropriation is made, the schedule in the intent language controls.

555 (3) An administering agency may not use any portion of a direct award grant's grant  
556 appropriation to pay costs of administering the grant, unless otherwise provided in the  
557 grant appropriation's intent language.

558 Section 14. Section **63G-6b-401** is amended to read:

559 **63G-6b-401 (Effective 07/01/26). Competitive grant requirements.**

560 (1)(a) For a competitive grant, the administering agency shall:

561 (i) establish a competitive application and selection process; and

562 (ii) award each competitive grant in accordance with the established process.

563 (b) As part of the competitive application process, the administering agency shall require  
564 that each applicant disclose all other state funding the applicant receives.

565 (2) Except as otherwise provided in the grant appropriation's intent language, an  
566 administering agency may not award a competitive grant to a recipient who has received  
567 a direct award grant if:

568 (a) the direct award grant is for substantially the same purpose as the competitive grant;  
569 and

570 (b) the direct award grant's grant period and the competitive grant's grant period overlap.

571 (3) [After] If directed in the grant appropriation's intent language, after an administering  
572 agency completes a competitive application process for a competitive grant but before

573 the administering agency awards the grant, the administering agency shall report each  
 574 grant recipient to the legislative fiscal analyst and the Governor's Office of Planning and  
 575 Budget.

576 Section 15. Section **63I-1-223** is amended to read:

577 **63I-1-223 (Effective 07/01/26). Repeal dates: Title 23A.**

578 (1) Section 23A-2-302, Wildlife Board Nominating Committee created, is repealed July 1,  
 579 2028.

580 (2) Section 23A-2-303, Regional advisory councils created, is repealed July 1, 2028.

581 [~~(3) Subsection 23A-3-204(2)(c), regarding the Land Conservation Board, is repealed July~~  
 582 ~~1, 2027.~~]

583 Section 16. Section **63I-2-263** is amended to read:

584 **63I-2-263 (Effective 07/01/26). Repeal dates: Titles 63A through 63O.**

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

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

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

591 (4) Section 63C-1-103, Appointment and terms of boards, committees, councils, and  
 592 commissions transitioning on October 1, 2024, or December 31, 2024, is repealed July  
 593 1, 2025.

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

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

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

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

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

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

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

- 607 (12) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed December 31, 2026.  
 608 Section 17. Section **63J-1-105** is amended to read:  
 609 **63J-1-105 (Effective 07/01/26). Revenue types -- Disposition of dedicated credits**  
 610 **and expendable receipts.**
- 611 (1)(a) Dedicated credits are subject to appropriations and the restrictions in this chapter.  
 612 (b) An agency may expend dedicated credits for any purpose within the program or line  
 613 item.
- 614 (2) Except as provided in Subsections (3) and (4), an agency may not expend dedicated  
 615 credits in excess of the amount appropriated to a line item as dedicated credits by the  
 616 Legislature.
- 617 (3) Each agency that receives dedicated credits revenue greater than the amount  
 618 appropriated to a line item by the Legislature in the annual appropriations acts may  
 619 expend the excess up to 25% of the amount appropriated if the expenditure is included  
 620 in a revised budget execution plan submitted as provided in Section 63J-1-209.
- 621 [~~(4) Notwithstanding the requirements of Subsection (3), when an agency's dedicated~~  
 622 ~~credits revenue represents over 90% of the budget of the line item for which the~~  
 623 ~~dedicated credits are collected, the agency may expend 100% of the excess of the~~  
 624 ~~amount appropriated if the agency submits a revised budget execution plan as provided~~  
 625 ~~in Subsection (3) and Section 63J-1-209.]~~
- 626 (4) Notwithstanding the requirements of Subsection (3), an agency may expend up to 100%  
 627 of the excess of the amount appropriated if:
- 628 (a)(i) the agency's dedicated credits revenue represents over 90% of the budget of the  
 629 line item for which the dedicated credits are collected; and
- 630 (ii) the agency submits a revised budget execution plan as provided in Subsection (3)  
 631 and Section 63J-1-209; or
- 632 (b) the dedicated credits are appropriated to an expendable special revenue fund, a  
 633 proprietary fund, or a fiduciary fund.
- 634 (5) An expenditure of dedicated credits in excess of amounts appropriated to a line item as  
 635 dedicated credits by the Legislature may not be used to permanently increase personnel  
 636 within the agency unless:
- 637 (a) the increase is approved by the Legislature; or  
 638 (b) the money is deposited as a dedicated credit in a line item covering tuition or federal  
 639 vocational funds at an institution of higher education.
- 640 (6)(a) All excess dedicated credits not received or expended in compliance with

- 641 Subsection (3), (4), or (7) lapse to the General Fund or other appropriate fund as free  
642 or restricted revenue at the end of the fiscal year.
- 643 (b) The Division of Finance shall determine the appropriate fund into which the  
644 dedicated credits lapse.
- 645 (7)(a) When an agency has a line item that is funded by more than one major revenue  
646 type, one of which is dedicated credits, the agency shall completely expend  
647 authorized dedicated credits within the current fiscal year and allocate unused  
648 spending authorization among other funding sources based upon a proration of the  
649 amounts appropriated from each of those major revenue types not attributable to  
650 dedicated credits, unless the Legislature has designated a portion of the dedicated  
651 credits as nonlapsing, in which case the agency shall completely expend within the  
652 current fiscal year authorized dedicated credits minus the portion of dedicated credits  
653 designated as nonlapsing, and allocate unused spending authorization among the  
654 other funding sources based upon a proration of the amounts appropriated from each  
655 of those major revenue types not attributable to dedicated credits.
- 656 (b) Nothing in Subsection (7)(a) shall be construed to allow an agency to receive and  
657 expend dedicated credits in excess of legislative appropriations to a line item without  
658 complying with Subsection (3) or (4).
- 659 (c) Each agency that receives dedicated credits shall report, to the Division of Finance,  
660 any balances remaining in those funds at the conclusion of each fiscal year.
- 661 (8) Each agency shall include in its annual budget request estimates of dedicated credits  
662 revenue that is identified by, collected for, or set by the agency.
- 663 (9) Each agency may expend expendable receipts in accordance with the terms set by a  
664 nonstate entity that provides the funds.
- 665 (10)(a) Expendable receipts are not limited by appropriations.
- 666 (b) Each agency that receives expendable receipts revenue greater than the amount  
667 included for a line item by the Legislature in the annual appropriations acts may  
668 expend the excess if the expenditure is included in a revised budget execution plan  
669 submitted as provided in Section 63J-1-209.
- 670 (c) If an agency receives excess expendable receipts revenue that is more than 25%  
671 greater than the amount included for a line item by the Legislature in the annual  
672 appropriations acts, the agency shall report the excess amount, the source of the  
673 expendable receipts, and the purpose for which the expendable receipts will be  
674 expended to the Governor's Office of Planning and Budget, the legislative fiscal

675 analyst, and the Executive Appropriations Committee within 60 days of submitting a  
676 revised budget execution plan as provided in Section 63J-1-209.

677 Section 18. Section **63J-1-217** is amended to read:

678 **63J-1-217 (Effective 07/01/26). Overexpenditure of budget by agency --**

679 **Prorating budget income shortfall.**

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

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

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

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

687 (ii) the director of the Division of Finance shall immediately reduce the agency's line  
688 item budget in the current year by the amount of the overexpenditure.

689 (c) Each agency with an overexpended line item shall:

690 (i) prepare a written report explaining the reasons for the overexpenditure; and

691 (ii) present the report to:

692 (A) the Board of Examiners as required by Section 63G-9-301; and

693 (B) the Office of the Legislative Fiscal Analyst.

694 (3)(a) As used in this Subsection (3):

695 (i) "Income Tax Fund budget deficit" has the same meaning as in Section 63J-1-312;  
696 and

697 (ii) "General Fund budget deficit" has the same meaning as in Section 63J-1-312.

698 (b) If an Income Tax Fund budget deficit or a General Fund budget deficit exists and the  
699 adopted estimated revenues were prepared in consensus with the Governor's Office of  
700 Planning and Budget, the governor shall:

701 (i) direct state agencies to reduce commitments and expenditures by an amount  
702 proportionate to the amount of the deficiency; and

703 (ii) direct the Division of Finance to reduce allotments to institutions of higher  
704 education by an amount proportionate to the amount of the deficiency.

705 (c) The governor's directions under Subsection (3)(b) are rescinded when the Legislature  
706 rectifies the Income Tax Fund budget deficit and the General Fund budget deficit.

707 (4)(a) A department may not receive an advance of funds that cannot be covered by  
708 anticipated revenue within the budget execution plan of the fiscal year, unless the

- 709 governor allocates money from the governor's emergency appropriations.
- 710 (b) All allocations made from the governor's emergency appropriations shall be reported
- 711 to [~~the budget subcommittee of~~]the Legislative Management Committee by notifying
- 712 the Office of the Legislative Fiscal Analyst at least 15 days before the effective date
- 713 of the allocation.
- 714 (c) Emergency appropriations shall be allocated only to support activities having
- 715 existing legislative approval and appropriation, and may not be allocated to any
- 716 activity or function rejected directly or indirectly by the Legislature.

717 Section 19. Section **63J-1-602.2** is amended to read:

718 **63J-1-602.2 (Effective 07/01/26) (Partially Repealed 07/01/29). List of nonlapsing**

719 **appropriations to programs.**

720 Appropriations made to the following programs are nonlapsing:

- 721 (1) The Legislature and the Legislature's committees.
- 722 (2) The State Board of Education, including all appropriations to agencies, line items, and
- 723 programs under the jurisdiction of the State Board of Education, in accordance with
- 724 Section 53F-9-103.
- 725 (3) The Rangeland Improvement Act created in Section 4-20-101.
- 726 (4) The Percent-for-Art Program created in Section 9-6-404.
- 727 (5) The LeRay McAllister Working Farm and Ranch [~~Fund~~] Account Program created in
- 728 Title 4, Chapter 46, Part 3, LeRay McAllister Working Farm and Ranch Fund.
- 729 (6) The Utah Lake Authority created in Section 11-65-201.
- 730 (7) Dedicated credits accrued to the Utah Marriage Commission as provided under
- 731 Subsection 17-66-303(2)(d)(ii).
- 732 (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.
- 733 (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection
- 734 26B-3-108(7).
- 735 (10) The primary care grant program created in Section 26B-4-310.
- 736 (11) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.
- 737 (12) The Utah Health Care Workforce Financial Assistance Program created in Section
- 738 26B-4-702.
- 739 (13) The Rural Physician Loan Repayment Program created in Section 26B-4-703.
- 740 (14) The Utah Medical Education Council for the:
- 741 (a) administration of the Utah Medical Education Program created in Section 26B-4-707;
- 742 (b) provision of medical residency grants described in Section 26B-4-711; and

- 743 (c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.  
744 (15) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.  
745 (16) The Communication Habits to reduce Adolescent Threats (CHAT) Pilot Program  
746 created in Section 26B-7-122.  
747 (17) Funds that the Department of Alcoholic Beverage Services retains in accordance with  
748 Subsection 32B-2-301(8)(a) or (b).  
749 (18) The General Assistance program administered by the Department of Workforce  
750 Services, as provided in Section 35A-3-401.  
751 (19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.  
752 (20) The Search and Rescue Financial Assistance Program, as provided in Section  
753 53-2a-1102.  
754 (21) The Emergency Medical Services Grant Program, as provided in Section 53-2d-207.  
755 (22) The Motorcycle Rider Education Program, as provided in Section 53-3-905.  
756 (23) The Utah Board of Higher Education for teacher preparation programs, as provided in  
757 Section 53H-5-402.  
758 (24) Innovation grants under Section 53G-10-608, except as provided in Subsection  
759 53G-10-608(3).  
760 (25) The Division of Fleet Operations for the purpose of upgrading underground storage  
761 tanks under Section 63A-9-401.  
762 (26) The Division of Technology Services for technology innovation as provided under  
763 Section 63A-16-903.  
764 (27) The State Capitol Preservation Board created by Section 63O-2-201.  
765 (28) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.  
766 (29) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado  
767 River Authority of Utah Act.  
768 (30) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as  
769 provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.  
770 (31) The Governor's Office of Economic Opportunity's Rural Employment Expansion  
771 Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion  
772 Program.  
773 (32) County correctional facility contracting program for state inmates as described in  
774 Section 64-13e-103.  
775 (33) County correctional facility reimbursement program for state probationary inmates and  
776 state parole inmates as described in Section 64-13e-104.

- 777 (34) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.
- 778 (35) The Division of Human Resource Management user training program, as provided in  
779 Section 63A-17-106.
- 780 (36) A public safety answering point's emergency telecommunications service fund, as  
781 provided in Section 69-2-301.
- 782 (37) The Traffic Noise Abatement Program created in Section 72-6-112.
- 783 [~~(38) The money appropriated from the Navajo Water Rights Negotiation Account to the~~  
784 ~~Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a~~  
785 ~~settlement of federal reserved water right claims.]~~
- 786 [(39)] (38) The Judicial Council for compensation for special prosecutors, as provided in  
787 Section 77-10a-19.
- 788 [(40)] (39) A state rehabilitative employment program, as provided in Section 78A-6-210.
- 789 [(41)] (40) The Utah Geological Survey, as provided in Section 79-3-401.
- 790 [(42)] (41) The Bonneville Shoreline Trail Program created under Section 79-5-503.
- 791 [(43)] (42) Adoption document access as provided in Sections 81-13-103, 81-13-504, and  
792 81-13-505.
- 793 [(44)] (43) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent  
794 Defense Commission.
- 795 [(45)] (44) The program established by the Division of Facilities Construction and  
796 Management under Section 63A-5b-703 under which state agencies receive an  
797 appropriation and pay lease payments for the use and occupancy of buildings owned by  
798 the Division of Facilities Construction and Management.
- 799 [(46)] (45) The State Tax Commission for reimbursing counties for deferrals in accordance  
800 with Section 59-2-1802.5.
- 801 [(47)] (46) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.  
802 Section 20. Section **63M-14-102** is amended to read:  
803 **63M-14-102 (Effective 07/01/26). Definitions.**  
804 As used in this chapter:
- 805 (1) "Appointing authority" means an authority named in Section 63M-14-202 that appoints  
806 an authority member for a Colorado River authority area.
- 807 (2) "Authority" means the Colorado River Authority of Utah created by Section  
808 63M-14-201.
- 809 (3) "Authority member" means a person appointed as a member of the authority under  
810 Section 63M-14-202 or designated as a member of the authority.

- 811 (4) "Chair" means the chair of the authority.
- 812 (5) "Colorado River Basin States" means Arizona, California, Colorado, Nevada, New  
813 Mexico, Utah, and Wyoming.
- 814 (6) "Colorado River authority area" means the geographic area designated by Subsection  
815 63M-14-202(2).
- 816 (7) "Colorado River system" means the entire drainage of the Colorado River in Utah  
817 including both the main stem of the Colorado River and the Colorado River's tributaries.
- 818 (8) "Law of the river" means the compacts, federal laws, treaties, court decisions and  
819 decrees, contracts, and regulatory guidelines that underlie and authorize the management  
820 and operation of the Colorado River.
- 821 [~~(9) "Restricted account" means the Colorado River Authority Restricted Account created~~  
822 ~~in Section 63M-14-501.~~]
- 823 [~~(10)~~ (9) "River commissioner" means the person appointed under Section 63M-14-301.  
824 Section 21. Section **63N-3-103** is amended to read:  
825 **63N-3-103 (Effective 07/01/26). Industrial Assistance Account created -- Uses --**  
826 **Administrator duties -- Costs.**
- 827 (1) There is created a restricted account within the General Fund known as the "Industrial  
828 Assistance Account."[-]
- 829 (2) The account consists of appropriations made by the Legislature.
- 830 [~~(2)~~ (3) The administrator shall administer the restricted account.
- 831 [~~(3)~~ (4) The administrator may hire appropriate support staff to perform the duties required  
832 under this section.
- 833 [~~(4)~~ (5) The cost of administering the restricted account shall be paid from money in the  
834 restricted account.
- 835 [~~(5)~~ (6) Interest accrued from investment of money in the restricted account shall remain in  
836 the restricted account.
- 837 [~~(6)~~ (7) The office shall review the activities and progress of grant recipients under this  
838 chapter on a regular basis and, as part of the office's annual written report described in  
839 Section 63N-1a-306, report on the economic impact of activities funded by each grant.
- 840 Section 22. Section **63N-3-105** is amended to read:  
841 **63N-3-105 (Effective 07/01/26). Qualification for assistance -- Application**  
842 **requirements.**
- 843 (1) Subject to the requirements of this part, the administrator may provide loans, grants, or  
844 other financial assistance from the restricted account to an entity offering an economic

- 845 opportunity if that entity:
- 846 (a) applies to the administrator in a form approved by the administrator; and
- 847 (b) meets the qualifications of Subsection (2).
- 848 (2) As part of an application for receiving financial assistance under this part, an applicant
- 849 shall demonstrate the following to the satisfaction of the administrator:
- 850 (a) the nature of the economic opportunity and the related benefit to the economic
- 851 well-being of the state by providing evidence documenting the expenditure of money
- 852 necessitated by the economic opportunity;
- 853 (b) how the economic opportunity will act in concert with other state, federal, or local
- 854 agencies to achieve the economic benefit;
- 855 (c) that the applicant will expend funds in the state with employees, vendors,
- 856 subcontractors, or other businesses in an amount proportional with money provided
- 857 from the restricted account at a minimum ratio of one to one per year or other more
- 858 stringent requirements as established on a per project basis by the administrator;
- 859 (d) for an application for a loan, the applicant's ability to sustain economic activity in the
- 860 state sufficient to repay, by means of cash or appropriate credits, the loan provided by
- 861 the restricted account; and
- 862 (e) any other criteria the administrator considers appropriate.
- 863 (3)(a) The administrator may exempt an applicant from any of the requirements of
- 864 Subsection (2) if:
- 865 (i) the applicant is part of a targeted industry; or
- 866 (ii) the applicant is a quasi-public corporation organized under Title 16, Chapter 6a,
- 867 Utah Revised Nonprofit Corporation Act, or Title 63E, Chapter 2, Independent
- 868 Corporations Act, and the applicant's operations, as demonstrated to the
- 869 satisfaction of the administrator, will provide significant economic stimulus to the
- 870 growth of commerce and industry in the state.
- 871 (b) The administrator may not exempt the applicant from the requirement under
- 872 Subsection 63N-3-106(1)(b) that the loan be structured so that the repayment or
- 873 return to the state equals at least the amount of the assistance together with an annual
- 874 interest charge.
- 875 (4) The GOEO board shall make recommendations to the administrator regarding
- 876 applications for loans, grants, or other financial assistance from the Industrial Assistance
- 877 Account.
- 878 [~~4~~] (5) Before awarding any money under this part, the administrator shall:

- 879 (a) make findings as to whether an applicant has satisfied the requirements of Subsection  
880 (2);
- 881 (b) establish benchmarks and timeframes in which progress toward the completion of the  
882 agreed upon activity is to occur;
- 883 (c) monitor compliance by an applicant with any contract or agreement entered into by  
884 the applicant and the state as provided by Section 63N-3-107; and
- 885 (d) make funding decisions based upon appropriate findings and compliance.

886 Section 23. Section **63N-3-106** is amended to read:

887 **63N-3-106 (Effective 07/01/26). Structure of loans, grants, and assistance --**  
888 **Repayment -- Earned credits.**

- 889 (1)(a) Subject to [~~Subsection (1)(b)~~] the other provisions of this part, the administrator  
890 has authority to determine the structure, amount, and nature of any loan, grant, or  
891 other financial assistance from the restricted account.
- 892 (b) Loans made under this part shall be structured so the intended repayment or return to  
893 the state, including cash or credit, equals at least the amount of the assistance  
894 together with an annual interest charge as negotiated by the administrator.
- 895 (c) Payments resulting from grants awarded from the restricted account shall be made  
896 only after the administrator has determined that the company has satisfied the  
897 conditions upon which the payment or earned credit was based.
- 898 (2)(a) The administrator may provide for a system of earned credits that may be used to  
899 support grant payments or in lieu of cash repayment of a restricted account loan  
900 obligation.
- 901 (b) The value of the credits described in Subsection (2)(a) shall be based on factors  
902 determined by the administrator, including:
- 903 (i) the number of Utah jobs created;
- 904 (ii) the increased economic activity in Utah; or
- 905 (iii) other events and activities that occur as a result of the restricted account  
906 assistance.
- 907 (3)(a) A cash loan repayment or other cash recovery from a company receiving  
908 assistance under this section, including interest, shall be deposited into the restricted  
909 account.
- 910 (b) The administrator and the Division of Finance shall determine the manner of  
911 recognizing and accounting for the earned credits used in lieu of loan repayments or  
912 to support grant payments as provided in Subsection (2).

- 913 (4)(a)(i) At the end of each fiscal year, the Division of Finance shall [~~transfer~~] set  
 914 aside the balance of the General Fund revenue surplus as defined in Section  
 915 63J-1-312 after the transfers of General Fund revenue surplus described in  
 916 Subsection (4)(b) to the Industrial Assistance Account in an amount equal to any  
 917 credit that has accrued under this part.
- 918 (ii) The [~~transfer~~] set aside under Subsection (4)(a)(i) is capped at \$50,000,000 and  
 919 the Division of Finance shall deposit any interest accrued above the \$50,000,000  
 920 cap into the General Fund.
- 921 (b) The Division of Finance shall make the [~~transfer~~] set aside required by Subsection  
 922 (4)(a) after the Division of Finance transfers the General Fund revenue surplus to:
- 923 (i) the Medicaid Growth Reduction and Budget Stabilization Restricted Account, as  
 924 provided in Section 63J-1-315;
- 925 (ii) the General Fund Budget Reserve Account, as provided in Section 63J-1-312; and  
 926 (iii) as provided in Section 63J-1-314:
- 927 (A) the Utah Wildfire Fund; and  
 928 (B) the State Disaster Recovery Restricted Account.
- 929 (c) These credit amounts may not be used for purposes of the restricted account as  
 930 provided in this part until appropriated by the Legislature.
- 931 Section 24. Section **67-3-1** is amended to read:
- 932 **67-3-1 (Effective 07/01/26). Functions and duties.**
- 933 (1)(a) The state auditor is the auditor of public accounts and is independent of any  
 934 executive or administrative officers of the state.
- 935 (b) The state auditor [~~is not limited in the selection of personnel or in the determination~~  
 936 ~~of the reasonable and necessary expenses of the state auditor's office~~] may select  
 937 personnel to operate the state auditor's office.
- 938 (2) The state auditor shall examine and certify annually in respect to each fiscal year,  
 939 financial statements showing:
- 940 (a) the condition of the state's finances;  
 941 (b) the revenues received or accrued;  
 942 (c) expenditures paid or accrued;  
 943 (d) the amount of unexpended or unencumbered balances of the appropriations to the  
 944 agencies, departments, divisions, commissions, and institutions; and  
 945 (e) the cash balances of the funds in the custody of the state treasurer.
- 946 (3)(a) The state auditor shall:

- 947 (i) audit each permanent fund, each special fund, the General Fund, and the accounts  
948 of any department of state government or any independent agency or public  
949 corporation as the law requires, as the auditor determines is necessary, or upon  
950 request of the governor or the Legislature;
- 951 (ii) perform the audits in accordance with generally accepted auditing standards and  
952 other auditing procedures as promulgated by recognized authoritative bodies; and
- 953 (iii) as the auditor determines is necessary, conduct the audits to determine:
- 954 (A) honesty and integrity in fiscal affairs;
- 955 (B) accuracy and reliability of financial statements;
- 956 (C) effectiveness and adequacy of financial controls; and
- 957 (D) [compliance with the law] whether the entity responsible for the audited fund  
958 or account has engaged in financial practices, used public funds, or managed  
959 public property in a manner that complies with the applicable legal  
960 requirements identified in connection with the audit.
- 961 (b) If any state entity receives federal funding, the state auditor shall ensure that the  
962 audit is performed in accordance with federal audit requirements.
- 963 (c)(i) The costs of the federal compliance portion of the audit may be paid from an  
964 appropriation to the state auditor from the General Fund.
- 965 (ii) If an appropriation is not provided, or if the federal government does not  
966 specifically provide for payment of audit costs, the costs of the federal compliance  
967 portions of the audit shall be allocated on the basis of the percentage that each  
968 state entity's federal funding bears to the total federal funds received by the state.
- 969 (iii) The allocation shall be adjusted to reflect any reduced audit time required to  
970 audit funds passed through the state to local governments and to reflect any  
971 reduction in audit time obtained through the use of internal auditors working  
972 under the direction of the state auditor.
- 973 (4)(a) Except as provided in Subsection (4)(b), the state auditor shall, in addition to  
974 financial audits, and as the auditor determines is necessary, conduct performance and  
975 special purpose audits, examinations, and reviews of any entity that receives public  
976 funds, including a determination of any or all of the following:
- 977 (i) the honesty and integrity of all the entity's fiscal affairs;
- 978 (ii) whether the entity's administrators have faithfully complied with legislative intent;
- 979 (iii) whether the entity's operations have been conducted in an efficient, effective, and  
980 cost-efficient manner;

- 981 (iv) whether the entity's programs have been effective in accomplishing the intended  
982 objectives; and
- 983 (v) whether the entity's management, control, and information systems are adequate,  
984 effective, and secure.
- 985 (b) The auditor may not conduct performance and special purpose audits, examinations,  
986 and reviews of any entity that receives public funds if the entity:
- 987 (i) has an elected auditor; and
- 988 (ii) has, within the entity's last budget year, had the entity's financial statements or  
989 performance formally reviewed by another outside auditor.
- 990 (5) The state auditor:
- 991 (a) shall administer any oath or affirmation necessary to the performance of the duties of  
992 the auditor's office; and
- 993 (b) may:
- 994 (i) subpoena witnesses and documents, whether electronic or otherwise; and
- 995 (ii) examine into any matter that the auditor considers necessary.
- 996 (6) The state auditor may require all persons who have had the disposition or management  
997 of any property of this state or its political subdivisions to submit statements regarding  
998 the property at the time and in the form that the auditor requires.
- 999 (7) The state auditor shall:
- 1000 (a) except where otherwise provided by law, institute suits in Salt Lake County in  
1001 relation to the assessment, collection, and payment of revenues against:
- 1002 (i) persons who by any means have become entrusted with public money or property  
1003 and have failed to pay over or deliver the money or property; and
- 1004 (ii) all debtors of the state;
- 1005 (b) collect and pay into the state treasury all fees received by the state auditor;
- 1006 (c) perform the duties of a member of all boards of which the state auditor is a member  
1007 by the constitution or laws of the state, and any other duties that are prescribed by the  
1008 constitution and by law;
- 1009 (d) stop the payment of the salary of any state official or state employee who:
- 1010 (i) refuses to settle accounts or provide required statements about the custody and  
1011 disposition of public funds or other state property;
- 1012 (ii) refuses, neglects, or ignores the instruction of the state auditor or any controlling  
1013 board or department head with respect to the manner of keeping prescribed  
1014 accounts or funds; or

- 1015 (iii) fails to correct any delinquencies, improper procedures, and errors brought to the  
1016 official's or employee's attention;
- 1017 (e) establish accounting systems, methods, and forms for public accounts in all taxing or  
1018 fee-assessing units of the state in the interest of uniformity, efficiency, and economy;
- 1019 (f) superintend the contractual auditing of all state accounts;
- 1020 (g) subject to Subsection (8)(a), withhold state allocated funds or the disbursement of  
1021 property taxes from a state or local taxing or fee-assessing unit, if necessary, to  
1022 ensure that officials and employees in those taxing units comply with state laws and  
1023 procedures in the budgeting, expenditures, and financial reporting of public funds;
- 1024 (h) subject to Subsection (9), withhold the disbursement of tax money from any county,  
1025 if necessary, to ensure that officials and employees in the county comply with  
1026 Section 59-2-303.1; and
- 1027 (i) withhold state allocated funds or the disbursement of property taxes from a local  
1028 government entity or a limited purpose entity, as those terms are defined in Section  
1029 67-1a-15 if the state auditor finds the withholding necessary to ensure that the entity  
1030 registers and maintains the entity's registration with the lieutenant governor, in  
1031 accordance with Section 67-1a-15.
- 1032 (8)(a) Except as otherwise provided by law, the state auditor may not withhold funds  
1033 under Subsection (7)(g) until a state or local taxing or fee-assessing unit has received  
1034 formal written notice of noncompliance from the auditor and has been given 60 days  
1035 to make the specified corrections.
- 1036 (b) If, after receiving notice under Subsection (8)(a), a state or independent local  
1037 fee-assessing unit that exclusively assesses fees has not made corrections to comply  
1038 with state laws and procedures in the budgeting, expenditures, and financial reporting  
1039 of public funds, the state auditor:
- 1040 (i) shall provide a recommended timeline for corrective actions;
- 1041 (ii) may prohibit the state or local fee-assessing unit from accessing money held by  
1042 the state; and
- 1043 (iii) may prohibit a state or local fee-assessing unit from accessing money held in an  
1044 account of a financial institution by filing an action in a court with jurisdiction  
1045 under Title 78A, Judiciary and Judicial Administration, requesting an order of the  
1046 court to prohibit a financial institution from providing the fee-assessing unit  
1047 access to an account.
- 1048 (c) The state auditor shall remove a limitation on accessing funds under Subsection (8)(b)

- 1049 upon compliance with state laws and procedures in the budgeting, expenditures, and  
1050 financial reporting of public funds.
- 1051 (d) If a local taxing or fee-assessing unit has not adopted a budget in compliance with  
1052 state law, the state auditor:
- 1053 (i) shall provide notice to the taxing or fee-assessing unit of the unit's failure to  
1054 comply;
- 1055 (ii) may prohibit the taxing or fee-assessing unit from accessing money held by the  
1056 state; and
- 1057 (iii) may prohibit a taxing or fee-assessing unit from accessing money held in an  
1058 account of a financial institution by:
- 1059 (A) contacting the taxing or fee-assessing unit's financial institution and  
1060 requesting that the institution prohibit access to the account; or
- 1061 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and  
1062 Judicial Administration, requesting an order of the court to prohibit a financial  
1063 institution from providing the taxing or fee-assessing unit access to an account.
- 1064 (e) If the local taxing or fee-assessing unit adopts a budget in compliance with state law,  
1065 the state auditor shall eliminate a limitation on accessing funds described in  
1066 Subsection (8)(d).
- 1067 (9) The state auditor may not withhold funds under Subsection (7)(h) until a county has  
1068 received formal written notice of noncompliance from the auditor and has been given 60  
1069 days to make the specified corrections.
- 1070 (10)(a) The state auditor may not withhold funds under Subsection (7)(i) until the state  
1071 auditor receives a notice of non-registration, as that term is defined in Section  
1072 67-1a-15.
- 1073 (b) If the state auditor receives a notice of non-registration, the state auditor may  
1074 prohibit the local government entity or limited purpose entity, as those terms are  
1075 defined in Section 67-1a-15, from accessing:
- 1076 (i) money held by the state; and
- 1077 (ii) money held in an account of a financial institution by:
- 1078 (A) contacting the entity's financial institution and requesting that the institution  
1079 prohibit access to the account; or
- 1080 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and  
1081 Judicial Administration, requesting an order of the court to prohibit a financial  
1082 institution from providing the entity access to an account.

- 1083 (c) The state auditor shall remove the prohibition on accessing funds described in  
1084 Subsection (10)(b) if the state auditor received a notice of registration, as that term is  
1085 defined in Section 67-1a-15, from the lieutenant governor.
- 1086 (11) Notwithstanding Subsection (7)(g), (7)(h), (7)(i), (8)(b), (8)(d), or (10)(b), the state  
1087 auditor:
- 1088 (a) shall authorize a disbursement by a local government entity or limited purpose entity,  
1089 as those terms are defined in Section 67-1a-15, or a state or local taxing or  
1090 fee-assessing unit if the disbursement is necessary to:
- 1091 (i) avoid a major disruption in the operations of the local government entity, limited  
1092 purpose entity, or state or local taxing or fee-assessing unit; or  
1093 (ii) meet debt service obligations; and
- 1094 (b) may authorize a disbursement by a local government entity, limited purpose entity,  
1095 or state or local taxing or fee-assessing unit as the state auditor determines is  
1096 appropriate.
- 1097 (12)(a) The state auditor may seek relief under the Utah Rules of Civil Procedure to take  
1098 temporary custody of public funds if an action is necessary to protect public funds  
1099 from being improperly diverted from their intended public purpose.
- 1100 (b) If the state auditor seeks relief under Subsection (12)(a):
- 1101 (i) the state auditor is not required to exhaust the procedures in Subsection (7) or (8);  
1102 and
- 1103 (ii) the state treasurer may hold the public funds in accordance with Section 67-4-1 if  
1104 a court orders the public funds to be protected from improper diversion from their  
1105 public purpose.
- 1106 (13) The state auditor shall:
- 1107 (a) establish audit guidelines and procedures for audits of local mental health and  
1108 substance abuse authorities and their contract providers, conducted pursuant to Title  
1109 17, Chapter 77, Local Health and Human Services, Title 26B, Chapter 5, Health Care  
1110 - Substance Use and Mental Health, and Title 51, Chapter 2a, Accounting Reports  
1111 from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act;  
1112 and
- 1113 (b) ensure that those guidelines and procedures provide assurances to the state that:
- 1114 (i) state and federal funds appropriated to local mental health authorities are used for  
1115 mental health purposes;
- 1116 (ii) a private provider under an annual or otherwise ongoing contract to provide

1117 comprehensive mental health programs or services for a local mental health  
1118 authority is in compliance with state and local contract requirements and state and  
1119 federal law;

1120 (iii) state and federal funds appropriated to local substance abuse authorities are used  
1121 for substance abuse programs and services; and

1122 (iv) a private provider under an annual or otherwise ongoing contract to provide  
1123 comprehensive substance abuse programs or services for a local substance abuse  
1124 authority is in compliance with state and local contract requirements, and state and  
1125 federal law.

1126 (14)(a) The state auditor may, in accordance with the auditor's responsibilities for  
1127 political subdivisions of the state as provided in Title 51, Chapter 2a, Accounting  
1128 Reports from Political Subdivisions, Interlocal Organizations, and Other Local  
1129 Entities Act, initiate audits or investigations of any political subdivision that are  
1130 necessary to determine honesty and integrity in fiscal affairs, accuracy and reliability  
1131 of financial statements, effectiveness, and adequacy of financial controls and  
1132 compliance with the law.

1133 (b) If the state auditor receives notice under Subsection 11-41-104(7) from the  
1134 Governor's Office of Economic Opportunity on or after July 1, 2024, the state auditor  
1135 may initiate an audit or investigation of the public entity subject to the notice to  
1136 determine compliance with Section 11-41-103.

1137 (15)(a) The state auditor may not audit work that the state auditor performed before  
1138 becoming state auditor.

1139 (b) If the state auditor has previously been a responsible official in state government  
1140 whose work has not yet been audited, the Legislature shall:

1141 (i) designate how that work shall be audited; and

1142 (ii) provide additional funding for those audits, if necessary.

1143 (16) The state auditor shall:

1144 (a) with the assistance, advice, and recommendations of an advisory committee  
1145 appointed by the state auditor from among special district boards of trustees, officers,  
1146 and employees and special service district boards, officers, and employees:

1147 (i) prepare a Uniform Accounting Manual for Special Districts that:

1148 (A) prescribes a uniform system of accounting and uniform budgeting and  
1149 reporting procedures for special districts under Title 17B, Limited Purpose  
1150 Local Government Entities - Special Districts, and special service districts

- 1151 under Title 17D, Chapter 1, Special Service District Act;
- 1152 (B) conforms with generally accepted accounting principles; and
- 1153 (C) prescribes reasonable exceptions and modifications for smaller districts to the
- 1154 uniform system of accounting, budgeting, and reporting;
- 1155 (ii) maintain the manual under this Subsection (16)(a) so that the manual continues to
- 1156 reflect generally accepted accounting principles;
- 1157 (iii) conduct a continuing review and modification of procedures in order to improve
- 1158 them;
- 1159 (iv) prepare and supply each district with suitable budget and reporting forms; and
- 1160 (v)(A) prepare instructional materials, conduct training programs, and render other
- 1161 services considered necessary to assist special districts and special service
- 1162 districts in implementing the uniform accounting, budgeting, and reporting
- 1163 procedures; and
- 1164 (B) ensure that any training described in Subsection (16)(a)(v)(A) complies with
- 1165 Title 63G, Chapter 22, State Training and Certification Requirements; and
- 1166 (b) continually analyze and evaluate the accounting, budgeting, and reporting practices
- 1167 and experiences of specific special districts and special service districts selected by
- 1168 the state auditor and make the information available to all districts.
- 1169 (17)(a) The following records in the custody or control of the state auditor are protected
- 1170 records under Title 63G, Chapter 2, Government Records Access and Management
- 1171 Act:
- 1172 (i) records that would disclose information relating to allegations of personal
- 1173 misconduct, gross mismanagement, or illegal activity of a past or present
- 1174 governmental employee if the information or allegation cannot be corroborated by
- 1175 the state auditor through other documents or evidence, and the records relating to
- 1176 the allegation are not relied upon by the state auditor in preparing a final audit
- 1177 report;
- 1178 (ii) records and audit workpapers to the extent the workpapers would disclose the
- 1179 identity of an individual who during the course of an audit, communicated the
- 1180 existence of any waste of public funds, property, or manpower, or a violation or
- 1181 suspected violation of a law, rule, or regulation adopted under the laws of this
- 1182 state, a political subdivision of the state, or any recognized entity of the United
- 1183 States, if the information was disclosed on the condition that the identity of the
- 1184 individual be protected;

- 1185 (iii) before an audit is completed and the final audit report is released, records or  
1186 drafts circulated to an individual who is not an employee or head of a  
1187 governmental entity for the individual's response or information;
- 1188 (iv) records that would disclose an outline or part of any audit survey plans or audit  
1189 program; and
- 1190 (v) requests for audits, if disclosure would risk circumvention of an audit.
- 1191 (b) The provisions of Subsections (17)(a)(i), (ii), and (iii) do not prohibit the disclosure  
1192 of records or information that relate to a violation of the law by a governmental entity  
1193 or employee to a government prosecutor or peace officer.
- 1194 (c) The provisions of this Subsection (17) do not limit the authority otherwise given to  
1195 the state auditor to classify a document as public, private, controlled, or protected  
1196 under Title 63G, Chapter 2, Government Records Access and Management Act.
- 1197 (d)(i) As used in this Subsection (17)(d), "record dispute" means a dispute between  
1198 the state auditor and the subject of an audit performed by the state auditor as to  
1199 whether the state auditor may release a record, as defined in Section 63G-2-103,  
1200 to the public that the state auditor gained access to in the course of the state  
1201 auditor's audit but which the subject of the audit claims is not subject to disclosure  
1202 under Title 63G, Chapter 2, Government Records Access and Management Act.
- 1203 (ii) The state auditor may submit a record dispute to the director of the Government  
1204 Records Office, created in Section 63A-12-202, for a determination of whether the  
1205 state auditor may, in conjunction with the state auditor's release of an audit report,  
1206 release to the public the record that is the subject of the record dispute.
- 1207 (iii) The state auditor or the subject of the audit may seek judicial review of the  
1208 director's determination, described in Subsection (17)(d)(ii), as provided in  
1209 Section 63G-2-404.
- 1210 (18) If the state auditor conducts an audit of an entity that the state auditor has previously  
1211 audited and finds that the entity has not implemented a recommendation made by the  
1212 state auditor in a previous audit, the state auditor shall notify the Legislative  
1213 Management Committee through the Legislative Management Committee's Audit  
1214 Subcommittee that the entity has not implemented that recommendation.
- 1215 (19) The state auditor shall, with the advice and consent of the Senate, appoint the state  
1216 privacy auditor described in Section 67-3-13.
- 1217 (20) Except as provided in Subsection (21), the state auditor shall report, or ensure that  
1218 another government entity reports, on the financial, operational, and performance

- 1219 metrics for the state system of higher education and the state system of public education,  
1220 including metrics in relation to students, programs, and schools within those systems.
- 1221 (21)(a) Notwithstanding Subsection (20), the state auditor shall conduct regular audits of:
- 1222 (i) the scholarship granting organization for the Carson Smith Opportunity  
1223 Scholarship Program, created in Section 53E-7-402;
- 1224 (ii) the State Board of Education for the Carson Smith Scholarship Program, created  
1225 in Section 53F-4-302; and
- 1226 (iii) the scholarship program manager for the Utah Fits All Scholarship Program,  
1227 created in Section 53F-6-402, including an analysis of the cost effectiveness of the  
1228 program, taking into consideration the amount of the scholarship and the amount  
1229 of state and local funds dedicated on a per-student basis within the traditional  
1230 public education system.
- 1231 (b) Nothing in this subsection limits or impairs the authority of the State Board of  
1232 Education to administer the programs described in Subsection (21)(a).
- 1233 (22) The state auditor shall, based on the information posted by the Office of Legislative  
1234 Research and General Counsel under Subsection 36-12-12.1(2), for each policy, track  
1235 and post the following information on the state auditor's website:
- 1236 (a) the information posted under Subsections 36-12-12.1(2)(a) through (e);  
1237 (b) an indication regarding whether the policy is timely adopted, adopted late, or not  
1238 adopted;
- 1239 (c) an indication regarding whether the policy complies with the requirements  
1240 established by law for the policy; and
- 1241 (d) a link to the policy.
- 1242 (23)(a) A legislator may request that the state auditor conduct an inquiry to determine  
1243 whether a government entity, government official, or government employee has  
1244 complied with a legal obligation directly imposed, by statute, on the government  
1245 entity, government official, or government employee.
- 1246 (b) The state auditor may, upon receiving a request under Subsection (23)(a), conduct  
1247 the inquiry requested.
- 1248 (c) If the state auditor conducts the inquiry described in Subsection (23)(b), the state  
1249 auditor shall post the results of the inquiry on the state auditor's website.
- 1250 (d) The state auditor may limit the inquiry described in this Subsection (23) to a simple  
1251 determination, without conducting an audit, regarding whether the obligation was  
1252 fulfilled.

- 1253 (24) The state auditor shall:
- 1254 (a) ensure compliance with Title 63G, Chapter 31, Distinctions on the Basis of Sex, in  
1255 accordance with Section 63G-31-401; and
- 1256 (b) report to the Legislative Management Committee, upon request, regarding the state  
1257 auditor's actions under this Subsection (24).
- 1258 (25) The state auditor shall report compliance with Sections 67-27-107, 67-27-108, and  
1259 67-27-109 by:
- 1260 (a) establishing a process to receive and audit each alleged violation; and
- 1261 (b) reporting to the Legislative Management Committee, upon request, regarding the  
1262 state auditor's findings and recommendations under this Subsection (25).
- 1263 (26) The state auditor shall ensure compliance with Section 63G-1-704 regarding the  
1264 display of flags in or on government property.
- 1265 (27)(a) On or before January 31 each year, the state auditor shall prepare a report that  
1266 states, for each entity that holds public funds as defined in Section 51-7-3, the entity's  
1267 total balance, as of the last day of the immediately preceding fiscal year, of cash, cash  
1268 equivalents, and investments, as those terms are defined under the standards  
1269 established by the Governmental Accounting Standards Board.
- 1270 (b) The state auditor shall make the report described in Subsection (27)(a) publicly  
1271 available on a website that the state auditor maintains.
- 1272 Section 25. Section **79-6-410** is enacted to read:
- 1273 **79-6-410 (Effective 07/01/26). Energy Development Infrastructure Fund.**
- 1274 (1) As used in this section, "public entity" means a state agency, county, municipality,  
1275 special district, special service district, an intergovernmental entity organized under state  
1276 law, or the military installation development authority created in Section 63H-1-201.
- 1277 (2) There is created a revolving loan fund known as the Energy Development Infrastructure  
1278 Fund.
- 1279 (3) The fund consists of:
- 1280 (a) money the Legislature appropriates to the fund;
- 1281 (b) money received for repayment of a loan made from the fund; and
- 1282 (c) interest earned on money in the fund.
- 1283 (4) The office may use money in the fund to make one or more loans to one or more public  
1284 entities to finance infrastructure development that supports nuclear power generation  
1285 and transmission in the state.
- 1286 (5)(a) A public entity that borrows money from the fund shall enter into a loan

- 1287 agreement with the office for repayment of the money.
- 1288 (b)(i) The office shall ensure that a loan under this section is secured by:
- 1289 (A) bonds, notes, or another evidence of indebtedness validly issued under state
- 1290 law; or
- 1291 (B) revenue generated from the project.
- 1292 (ii) The security provided under Subsection (5)(b)(i) may include the borrower's
- 1293 pledge of some or all of a revenue source that the borrower controls.
- 1294 (c) A loan under this section shall bear interest at a rate not to exceed .5% above bond
- 1295 market interest rates available to the state.
- 1296 (6) The office may provide conditions in the loan agreement described in Subsection (5) to
- 1297 ensure that:
- 1298 (a) the proceeds of the loan will be used to pay the cost of the project; and
- 1299 (b) the project will be completed.
- 1300 (7) The office shall administer and enforce a loan under this section according to the terms
- 1301 of the loan agreement.

1302 Section 26. Section **79-6-1105** is amended to read:

1303 **79-6-1105 (Effective 07/01/26). Electrical Energy Development Investment Fund.**

- 1304 (1) There is created [~~an expendable~~] a special revenue fund known as the "Electrical Energy
- 1305 Development Investment Fund."
- 1306 (2) The fund consists of:
- 1307 (a) property tax differential revenue collected under Section 79-6-1104;
- 1308 (b) revenue from the radioactive waste facility expansion tax collected under Section
- 1309 59-24-103.8; and
- 1310 (c) revenue from a tax on new generators of radioactive waste as described in Subsection
- 1311 59-24-103.5(3).
- 1312 (3) The council shall:
- 1313 (a) administer the fund; and
- 1314 (b) use fund money only as authorized under Section 79-6-1106.

1315 Section 27. **Repealer.**

1316 This bill repeals:

1317 Section **19-2-301, Title.**

1318 Section **19-2-302, Definitions.**

1319 Section **19-2-303, Grants and programs -- Conditions.**

1320 Section **19-2-304, Duties and authorities -- Rulemaking.**

1321 Section **23A-3-204, Wildlife Resources Conservation Easement Restricted Account.**  
 1322 Section **23A-3-206, Donations related to donation of wild game meat -- Wild Game Meat**  
 1323 **Donation Fund.**

1324 Section **51-9-701, Title.**  
 1325 Section **51-9-702, Navajo Water Rights Negotiation Account -- Settlement.**  
 1326 Section **63M-14-501, Colorado River Authority Restricted Account.**

1327 Section 28. **FY 2026 Appropriations.**

1328 The following sums of money are appropriated for the fiscal year beginning July 1,  
 1329 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for  
 1330 fiscal year 2026.

1331 Subsection 28(a). **Operating and Capital Budgets**

1332 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the  
 1333 Legislature appropriates the following sums of money from the funds or accounts indicated for  
 1334 the use and support of the government of the state of Utah.

1335 ITEM 1 To Department of Natural Resources - Office of Energy Development  
 1336 From General Fund, One-time (5,000,000)  
 1337 Schedule of Programs:  
 1338 Office of Energy Development (5,000,000)

1339 Subsection 28(b). **Business-like Activities**

1340 The Legislature has reviewed the following proprietary funds. Under the terms and  
 1341 conditions of Utah Code 63J-1-410, for any included Internal Service Fund, the Legislature  
 1342 approves budgets, full-time permanent positions, and capital acquisition amounts as indicated,  
 1343 and appropriates to the funds, as indicated, estimated revenue from rates, fees, and other  
 1344 charges. The Legislature authorizes the State Division of Finance to transfer amounts between  
 1345 funds and accounts as indicated.

1346 ITEM 2 To Department of Natural Resources - Energy Development Infrastructure Fund  
 1347 From General Fund, One-time 5,000,000  
 1348 Schedule of Programs:  
 1349 Energy Development Infrastructure Fund 5,000,000

1350 Section 29. **FY 2027 Appropriations.**

1351 The following sums of money are appropriated for the fiscal year beginning July 1,  
 1352 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for  
 1353 fiscal year 2027.

1354 Subsection 29(a). **Operating and Capital Budgets**

1355 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the  
 1356 Legislature appropriates the following sums of money from the funds or accounts indicated for  
 1357 the use and support of the government of the state of Utah.

1358 ITEM 3 To Office of the Governor - Colorado River Authority of Utah  
 1359 From General Fund 1,638,500

1360 Schedule of Programs:  
 1361 Colorado River Authority of Utah 1,638,500

1362 Subsection 29(b). **Restricted Fund and Account Transfers**

1363 The Legislature authorizes the State Division of Finance to transfer the following  
 1364 amounts between the following funds or accounts as indicated. Expenditures and outlays from  
 1365 the funds to which the money is transferred must be authorized by an appropriation.

1366 ITEM 4 To General Fund Restricted - Colorado River Authority Restricted Account  
 1367 From General Fund (1,638,500)

1368 Schedule of Programs:  
 1369 Colorado River Authority Restricted Account (1,638,500)

1370 The Legislature intends that the Division of  
 1371 Finance transfer any balances remaining in the Colorado  
 1372 River Authority Restricted Account after fiscal year 2026  
 1373 closeout to Office of the Governor - Colorado River  
 1374 Authority of Utah line item.

1375 Section 30. **Effective Date.**

1376 This bill takes effect on July 1, 2026.

1377 Section 31. **Coordinating H.B. 545 with H.B. 473.**

1378 If H.B. 545, Budgetary Modifications, and H.B. 473, Colorado River Authority

1379 Amendments, both pass and become law, the Legislature intends that, on July 1, 2026:

1380 (1) the repeal of Section 63M-14-501 in H.B. 545 not be made; and

1381 (2) the appropriations in Items 3 and 4 in H.B. 545 not be made.