

R. Neil Walter proposes the following substitute bill:

**Scholarship Program Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: R. Neil Walter

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**LONG TITLE**

**General Description:**

This bill amends provisions of certain scholarship programs.

**Highlighted Provisions:**

This bill:

- ▶ eliminates income based eligibility requirements for the Carson Smith Opportunity scholarship;
- ▶ removes Carson Smith Opportunity scholarship eligibility for a sibling;
- ▶ aligns the Carson Smith Opportunity scholarship requirements with the Utah Fits All Scholarship Program;
- ▶ allows the Carson Smith Opportunity scholarship granting organization to approve qualified providers and private schools;
- ▶ requires the Carson Smith Opportunity scholarship granting organization to ensure physical education and extracurricular caps are followed;
- ▶ amends the definition of scholarship expense to be the same across multiple scholarship programs;
- ▶ establishes primary residency verification to be eligible for a Carson Smith Opportunity scholarship;
- ▶ creates a deadline for an eligible student to accept the Carson Smith Opportunity scholarship that the scholarship granting organization determines;
- ▶ clarifies entities that are not eligible to be a qualified provider under the Carson Smith Opportunity scholarship program;
- ▶ clarifies that eligible students must be under 19 years old as of September 1 of the Utah Fits All scholarship year;
- ▶ establishes consumer protection standards for Utah Fits All scholarship expenses and reimbursements;

- 29           ▶ enhances program oversight and compliance mechanisms;  
 30           ▶ improves customer service and marketplace operation standards; and  
 31           ▶ makes technical and conforming changes.

32 **Money Appropriated in this Bill:**

33       None

34 **Other Special Clauses:**

35       This bill provides retrospective operation.

36 **Utah Code Sections Affected:**

37 **AMENDS:**

38       **53E-7-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 466

39       **53E-7-402 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 466

40       **53E-7-404 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 466

41       **53E-7-405 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 466

42       **53E-7-407 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 466

43       **53E-7-408 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 466

44       **53E-7-408.5 (Effective 05/06/26)**, as enacted by Laws of Utah 2024, Chapter 466

45       **53F-6-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special  
 46       Session, Chapter 9

47       **53F-6-402 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 25

48       **53F-6-405 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 25

49       **53F-6-406 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 25

50       **53F-6-408 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 25

51       **59-1-403 (Effective 05/06/26) (Applies beginning 01/01/26) (Partially Repealed 07/01/29)**, as  
 52       last amended by Laws of Utah 2025, Chapters 182, 323, 400, and 498

53       **59-7-625 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws of  
 54       Utah 2024, Chapter 466

55       **59-10-1041 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws  
 56       of Utah 2024, Chapter 466

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

59       Section 1. Section **53E-7-401** is amended to read:

60       **53E-7-401 (Effective 05/06/26). Definitions.**

61       As used in this part:

62       (1) "The Carson Smith Opportunity Scholarship Program" or "program" means the program

63 established in Section 53E-7-402.

64 (2) "Eligible student" means[±]

65 [~~(a)~~] a student who:

66 [~~(i)~~] (a) is:

67 [~~(A)~~] (i) eligible to participate in public school, in kindergarten, or grades 1 through  
68 12;

69 [~~(B)~~] (ii) enrolled in a qualifying school as defined in Subsection [~~(11)~~] (10);

70 [~~(C)~~] (iii) a home-based scholarship student as defined in Subsection [~~(6)~~] (4); or

71 [~~(D)~~] (iv) at least three years old before September 2 of the year the scholarship is  
72 awarded;

73 [~~(ii)~~] (b) is a primary resident of the state;

74 [~~(iii)~~] (c) has a qualified disability identified under 20 U.S.C. Sec. 140(3) as determined  
75 by:

76 [~~(A)~~] (i) having an IEP within the previous three years; or

77 [~~(B)~~] (ii) a multidisciplinary team evaluation described in Subsection [~~(7)~~] (5); [~~and~~]

78 [~~(iv)~~] (d) during the school year for which the student is applying for the scholarship, is  
79 not:

80 [~~(A)~~] (i) a student who receives a scholarship under the legacy Carson Smith  
81 Scholarship Program created in Section 53F-4-302; [or]

82 (ii) a student who receives a scholarship under the Utah Fits All Scholarship Program  
83 created in Section 53F-4-302; or

84 [~~(B)~~] (iii) enrolled as a public school student; [or]

85 (e) provides verification of primary residence in this state, through a parent's income tax  
86 records, utility bill, lease agreement, or property tax records; and

87 (f) for out-of-state military families through a parent attestation, is not enrolled in a  
88 public school elsewhere while receiving the scholarship.

89 [~~(b)~~] a student who:]

90 [(i) meets the requirement of Subsections (2)(a)(i) and (ii); and]

91 [(ii) is a sibling of and resides in the same household as a student described in  
92 Subsection (2)(a) if:]

93 [~~(A)~~] the student described in Subsection (2)(a) is a scholarship student and has  
94 verified enrollment or intent to enroll at a qualifying school or participate in  
95 services provided by a qualifying provider; and]

96 [~~(B)~~] the sibling is applying for a scholarship to attend the same qualifying school

- 97                   or participate in the same services provided by a qualifying provider.]
- 98   (3)(a) "Employee" means an individual working in a position in which the individual's
- 99       salary, wages, pay, or compensation, including as a contractor, is paid from:
- 100       (i) program donations to a scholarship granting organization; or
- 101       (ii) scholarship money allocated to a qualifying school or qualifying provider by a
- 102           scholarship granting organization under Section 53E-7-405.
- 103   (b) "Employee" does not include an individual who volunteers at the scholarship
- 104       granting organization, qualifying school, or qualifying provider.
- 105   ~~[(4) "Family income" means the annual income of the parent, parents, legal guardian, or~~
- 106       ~~legal guardians with whom a scholarship student lives.]~~
- 107   ~~[(5) "Federal poverty level" means the poverty level as defined by the most recently revised~~
- 108       ~~poverty income guidelines published by the United States Department of Health and~~
- 109       ~~Human Services in the Federal Register.]~~
- 110   ~~[(6)] (4) "Home-based scholarship student" means a student who:~~
- 111       (a) is eligible to participate in public school, in kindergarten or grades 1 through 12;
- 112       (b) ~~[is-] attests to being excused from enrollment in an LEA [in accordance with Section~~
- 113           ~~53G-6-204 ]to attend a home school; and~~
- 114       (c) receives a benefit from a scholarship under the program.
- 115   ~~[(7)] (5) "Multidisciplinary evaluation team" means two or more individuals:~~
- 116       (a) who are qualified in two or more separate disciplines or professions; and
- 117       (b) who evaluate a child.
- 118   ~~[(8)] (6) "Officer" means:~~
- 119       (a) a member of the board of a scholarship granting organization, qualifying school, or
- 120           qualifying provider; or
- 121       (b) the chief administrative officer of a scholarship granting organization , qualifying
- 122           school, or qualifying provider.
- 123   (7) "Primary residence" means the one location where an individual resides for the majority
- 124       of the year.
- 125   ~~[(9)] (8) "Program donation" means a donation to the program under Section 53E-7-405.~~
- 126   ~~[(10)] (9) "Qualifying provider" means:~~
- 127       (a) an entity that:
- 128           (i) is not a public school and is autonomous and not an agent of the state, in
- 129               accordance with Section 53E-7-406; and
- 130           (ii) meets the requirement described in Section 53E-7-403; and

131 (b) [is] an eligible service provider approved by the scholarship granting organization in  
132 accordance with Section 53E-7-408.5.

133 [~~(11)~~] (10) "Qualifying school" means a private school that:

134 (a) provides kindergarten, elementary, or secondary education;

135 (b) is approved by the state board under Section 53E-7-408; and

136 (c) meets the requirements described in Section 53E-7-403.

137 [~~(12)~~] (11) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother,  
138 uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law,  
139 sister-in-law, son-in-law, or daughter-in-law.

140 [~~(13)~~] (12) "Scholarship" means a grant awarded to an eligible student:

141 (a) by a scholarship granting organization out of program donations and appropriations  
142 the Legislature provides; and

143 (b) for the purpose of paying for a scholarship expense.

144 [~~(14)~~] (13)(a) "Scholarship expense" means an expense that a parent or eligible student  
145 incurs in the education of the eligible student for goods or a service that a qualifying  
146 school or qualifying provider provides or facilitates, including:

147 [~~(a)~~] (i) published tuition and fees of a qualifying school or qualifying provider;

148 [~~(b)~~] (ii) fees and instructional materials at a technical college;

149 [~~(c)~~] (iii) tutoring services;

150 [~~(d)~~] (iv) fees for after-school or summer education programs;

151 [~~(e)~~] (v) textbooks, curricula, or other instructional materials, including any  
152 supplemental materials or associated online instruction that a curriculum,  
153 qualifying provider, or a qualifying school recommends;

154 [~~(f)~~] (vi) educational software and applications;

155 [~~(g)~~] (vii) supplies or other equipment related to an eligible student's educational  
156 needs;

157 [~~(h)~~] (viii) computer hardware or other technological devices that are intended  
158 primarily for an eligible student's educational needs;

159 [~~(i)~~] (ix) fees for the following examinations, or for a preparation course for the  
160 following examinations, that the scholarship granting organization approves:

161 [~~(1)~~] (A) a national norm-referenced or standardized assessment described in  
162 Section 53F-6-410, an advanced placement examination, or another similar  
163 assessment;

164 [~~(2)~~] (B) a state-recognized industry certification examination; and

- 165            ~~[(iii)]~~ (C) an examination related to college or university admission;
- 166            ~~[(j)]~~ (x) educational services for students with disabilities from a licensed or
- 167            accredited practitioner or provider, including occupational, behavioral, physical,
- 168            audiology, or speech-language therapies, or other licensed or accredited
- 169            practitioners approved by the scholarship granting organization;
- 170            ~~[(k)]~~ (xi) contracted services that the scholarship granting organization approves and
- 171            that an LEA provides, including individual classes, after-school tutoring services,
- 172            transportation, or fees or costs associated with participation in extracurricular
- 173            activities, as long as the LEA does not require the scholarship student to enroll to
- 174            participate;
- 175            ~~[(H)]~~ (xii) ride fees or fares for a fee-for-service transportation provider to transport the
- 176            eligible student to and from a qualifying school or qualifying provider, not to
- 177            exceed \$750 in a given school year;
- 178            ~~[(m)]~~ (xiii)(A) expenses related to extracurricular activities, field trips, educational
- 179            supplements, physical education experiences, and other educational experiences
- 180            not to exceed 20% of the total scholarship amount; [or] and
- 181            (B) the 20% maximum for expenses related to extracurricular activities and
- 182            physical education described in Subsection (13)(a)(xiii)(A) does not apply to
- 183            expenses related to physical therapy expenses;
- 184            (xiv) physical therapy expenses that are required to facilitate educational services; or
- 185            ~~[(n)]~~ (xv) expenses the scholarship granting organization approves in accordance with
- 186            Subsection 53E-7-405(3).
- 187            (b) Scholarship expense does not include:
- 188            (i) chaperone expenses;
- 189            (ii) season tickets, annual passes, or subscriptions to entertainment venues; and
- 190            (iii) the purchase of furniture.
- 191            ~~[(15)]~~ (14) "Scholarship granting organization" means an organization that is:
- 192            (a) qualified as tax exempt under Section 501(c)(3), Internal Revenue Code; and
- 193            (b) recognized through an agreement with the state board as a scholarship granting
- 194            organization, as described in Section 53E-7-404.
- 195            ~~[(16)]~~ (15) "Scholarship student" means an eligible student, including a home-based
- 196            scholarship student, who receives a scholarship under this part.
- 197            ~~[(17)]~~ (16) "Value of the weighted pupil unit" means the amount established each year in the
- 198            enacted public education budget that is multiplied by the number of weighted pupil units

199 to yield the funding level for the basic state-supported school program.

200 Section 2. Section **53E-7-402** is amended to read:

201 **53E-7-402 (Effective 05/06/26). Carson Smith Opportunity Scholarship Program.**

202 (1) There is established the Carson Smith Opportunity Scholarship Program under which a  
203 parent may apply to a scholarship granting organization on behalf of the parent's student  
204 for a scholarship to help cover the cost of a scholarship expense.

205 (2)[(a)] A scholarship granting organization shall award, in accordance with this part,  
206 scholarships to eligible students.

207 [(b) In awarding scholarships, a scholarship granting organization shall give priority to  
208 an eligible student described in Subsection 53E-7-401(1)(a) by:]

209 [(i) establishing an August 10 deadline for an eligible student described in Subsection  
210 53E-7-401(1)(b) to apply for a scholarship; and]

211 [(ii) awarding a scholarship to an eligible student described in Subsection  
212 53E-7-401(2)(b) only if funds exist after awarding scholarships to all eligible  
213 students described in Subsection 53E-7-401(2)(a) who have applied and qualify.]

214 [(e) Subject to available funds, a scholarship awarded to an eligible student described in  
215 Subsection 53E-7-401(2)(b) shall be for a similar term as a scholarship awarded to  
216 the eligible student's sibling.]

217 (3) A scholarship granting organization shall determine a full-year scholarship award to pay  
218 for the cost of one or more scholarship expenses in an amount not more than[;]

219 [(a) for an eligible student described in Subsection 53E-7-401(2)(a)-] , for a student who  
220 is:

221 [(i)] (a) in kindergarten through grade 12[-and whose family income is:] , the value of the  
222 weighted pupil unit multiplied by 2.5; and

223 [(A) at or below 185% of the federal poverty level, the value of the weighted pupil  
224 unit multiplied by 2.5;]

225 [(B) except as provided in Subsection (3)(a)(i)(C), above 185% of the federal  
226 poverty level, the value of the weighted pupil unit multiplied by two; or]

227 [(C) above 185% of the federal poverty level and the eligible student would have  
228 received an average of 180 minutes per day or more of special education  
229 services in a public school before transferring to a private school, the value of  
230 the weighted pupil unit multiplied by 2.5; or]

231 [(ii)] (b) in preschool[;] :

232 (i) for full-time enrollment, the value of the weighted pupil unit; or

233 (ii) for part-time enrollment, the value of the weighted pupil unit multiplied by 0.55.

234 ~~[(b) for an eligible student described in Subsection 53E-7-401(2)(b), half the value of the~~  
 235 ~~weighted pupil unit.]~~

236 (4)(a) A scholarship granting organization shall:

237 (i) establish and communicate to an eligible student a deadline by which the eligible  
 238 student must accept or deny the scholarship offer; and

239 (ii) communicate to an eligible student that failure to respond by the deadline  
 240 described in (4)(a)(i) may result in forfeiture of the scholarship offer.

241 (b) The State Tax Commission may, upon request, provide state individual income tax  
 242 information to a scholarship granting organization for residence verification purposes  
 243 regarding a given individual if:

244 (i) the individual voluntarily provides the individual's social security number to the  
 245 scholarship granting organization; and

246 (ii) the individual consents in writing to the sharing of state individual income tax  
 247 and residence information solely for the purpose of residency verification  
 248 purposes.

249 (c) The State Tax Commission shall create and implement a residency verification  
 250 process and tool to facilitate this verification process.

251 ~~[(4)]~~ (5) Eligibility for a scholarship as determined by a multidisciplinary evaluation team  
 252 under this program does not establish eligibility for an IEP under the Individuals with  
 253 Disabilities Education Act, Subchapter II, 20 U.S.C. Secs. 1400 to 1419, and is not  
 254 binding on any LEA that is required to provide an IEP under the Individuals with  
 255 Disabilities Education Act.

256 ~~[(5)]~~ (6) The scholarship granting organizations shall prepare and disseminate information  
 257 on the program to a parent applying for a scholarship on behalf of a student.

258 Section 3. Section **53E-7-404** is amended to read:

259 **53E-7-404 (Effective 05/06/26). State board duties.**

260 (1) The state board shall:

261 (a) publish on the state board's website:

262 (i) information about the program; and

263 (ii) information about each scholarship granting organization;

264 (b) conduct a financial review or audit of a scholarship granting organization, if the state  
 265 board receives evidence of fraudulent practice by the scholarship granting  
 266 organization;

- 267 (c) conduct a criminal background check on each scholarship granting organization  
268 employee and scholarship granting organization officer;
- 269 (d) establish uniform financial accounting standards for scholarship granting  
270 organizations; and
- 271 (e) in accordance with Section 53E-1-202.1, annually submit a report on the program to  
272 the Public Education Appropriations Subcommittee that includes:
- 273 (i) administrative costs of the program;
- 274 (ii) the number of scholarship students that are eligible students [~~described in~~  
275 ~~Subsection 53E-7-401(2)(a) and the number of scholarship students that are~~  
276 ~~eligible students described in Subsection 53E-7-401(2)(b) ]from each school  
277 district;~~
- 278 (iii) standards used by the scholarship granting organization to determine whether a  
279 student is an eligible student; and
- 280 (iv) savings to the state and LEAs as a result of scholarship students exiting the  
281 public school system.
- 282 (2)(a) In accordance with Subsection (3) and Title 63G, Chapter 6a, Utah Procurement  
283 Code, the state board shall issue a request for proposals and enter into at least one  
284 agreement with an organization that is qualified as tax exempt under Section  
285 501(c)(3), Internal Revenue Code, to be recognized by the state board as a  
286 scholarship granting organization.
- 287 (b) An organization that responds to a request for proposals described in Subsection  
288 (2)(a) shall submit the following information in the organization's response:
- 289 (i) a copy of the organization's incorporation documents;
- 290 (ii) a copy of the organization's Internal Revenue Service determination letter  
291 qualifying the organization as being tax exempt under Section 501(c)(3), Internal  
292 Revenue Code;
- 293 (iii) a description of the methodology the organization will use to verify that a student  
294 is an eligible student under this part; and
- 295 (iv) a description of the organization's proposed scholarship application process.
- 296 (3)(a) The state board shall enter into an agreement described in Subsection (2)(a) with  
297 one scholarship granting organization on or before January 1, 2021.
- 298 (b) The state board may enter into an agreement described in Subsection (2)(a) with  
299 additional scholarship granting organizations after January 1, 2023, if the state board  
300 makes rules regarding how multiple scholarship granting organizations may issue tax

- 301 credit certificates in accordance with Section 53E-7-407.
- 302 (c)(i) No later than 10 days after the day on which the state board enters into an  
303 agreement with a scholarship granting organization, the state board shall forward  
304 the name and contact information of the scholarship granting organization to the  
305 State Tax Commission.
- 306 (ii) If, under Subsection (4)(c)(i), the state board bars a scholarship granting  
307 organization from further participation in the program, the state board shall, no  
308 later than 10 days after the day on which the state board bars the scholarship  
309 granting organization, forward the name and contact information of the barred  
310 scholarship granting organization to the State Tax Commission.
- 311 (4)(a) If the state board determines that a scholarship granting organization has violated  
312 a provision of this part or state board rule, the state board shall send written notice to  
313 the scholarship granting organization explaining the violation and the remedial action  
314 required to correct the violation.
- 315 (b) A scholarship granting organization that receives a notice described in Subsection  
316 (4)(a) shall, no later than 60 days after the day on which the scholarship granting  
317 organization receives the notice, correct the violation and report the correction to the  
318 state board.
- 319 (c)(i) If a scholarship granting organization that receives a notice described in  
320 Subsection (4)(a) fails to correct a violation in the time period described in  
321 Subsection (4)(b), the state board may bar the scholarship granting organization  
322 from further participation in the program.
- 323 (ii) A scholarship granting organization may appeal a decision made by the state  
324 board under Subsection (4)(c)(i) in accordance with Title 63G, Chapter 4,  
325 Administrative Procedures Act.
- 326 (d) A scholarship granting organization may not accept program donations while the  
327 scholarship granting organization:  
328 (i) is barred from participating in the program under Subsection (4)(c)(i); or  
329 (ii) has an appeal pending under Subsection (4)(c)(ii).
- 330 (e) A scholarship granting organization that has an appeal pending under Subsection  
331 (4)(c)(ii) may continue to administer scholarships from previously donated program  
332 donations during the pending appeal.
- 333 (5) The state board shall provide for a process for a scholarship granting organization to  
334 report information as required under Section 53E-7-405.

- 335 (6) The state board shall make rules in accordance with Title 63G, Chapter 3, Utah  
 336 Administrative Rulemaking Act, to administer the program, including rules for:  
 337 (a) the administration of scholarships to a qualifying school or qualifying provider  
 338 receiving scholarship money from a scholarship granting organization that is barred  
 339 from participating in the program under Subsection (4)(c)(i);  
 340 (b) when an eligible student does not continue in enrollment at a qualifying school or  
 341 participation in services provided by a qualifying provider:  
 342 (i) requiring the scholarship granting organization to:  
 343 (A) notify the state board; and  
 344 (B) obtain reimbursement of scholarship money from the qualifying school in  
 345 which the eligible student is no longer enrolled or qualifying provider in which  
 346 the eligible student is no longer participating; and  
 347 (ii) requiring the qualifying school or qualifying provider in which the eligible  
 348 student is no longer enrolled to reimburse scholarship money to the scholarship  
 349 granting organization;  
 350 (c) audit and report requirements as described in Section 53E-7-405; and  
 351 (d) requiring the scholarship granting organization, in accordance with the Family  
 352 Educational Rights and Privacy Act, 20 U.S.C. Sec. 1232g, to submit to the state  
 353 board:  
 354 (i) the number of scholarship students that are eligible students [~~described in~~  
 355 ~~Subsection 53E-7-401(2)(a) and the number of scholarship students that are~~  
 356 ~~eligible students described in Subsection 53E-7-401(2)(b)] from each school  
 357 district;  
 358 (ii) standards used to determine whether a student is an eligible student; and  
 359 (iii) any other information requested by the Public Education Appropriations  
 360 Subcommittee for the state board to include in the annual report described in  
 361 Section 53E-1-202.1.~~

362 Section 4. Section **53E-7-405** is amended to read:

363 **53E-7-405 (Effective 05/06/26). Program donations -- Scholarship granting**  
 364 **organization requirements -- Legislative appropriations.**

- 365 (1) A person that makes a donation to a scholarship granting organization to help fund  
 366 scholarships through the program may be eligible to receive a nonrefundable tax credit  
 367 as described in Sections 59-7-625 and 59-10-1041.  
 368 (2) In accordance with Section 53E-7-404, an organization may enter into an agreement

- 369 with the state board to be a scholarship granting organization.
- 370 (3) A scholarship granting organization shall:
- 371 (a) accept program donations and allow a person that makes a program donation to
- 372 designate a qualifying school or qualifying provider to which the donation shall be
- 373 directed for scholarships;
- 374 (b) adopt an application process in accordance with Subsection (5);
- 375 (c) review scholarship applications and determine scholarship awards;
- 376 (d) allocate scholarship money to a scholarship student's parent or, on the parent's
- 377 behalf, to a qualifying school or qualifying provider in which the scholarship student
- 378 is enrolled or participates;
- 379 (e) adopt a process, with state board approval, that allows a parent to use a scholarship to
- 380 pay for a nontuition scholarship expense for the scholarship student;
- 381 (f) ensure that during the state fiscal year:
- 382 (i) at least 92% of the scholarship granting organization's revenue from program
- 383 donations and other funding sources are spent on scholarships;
- 384 (ii) up to 5% of the scholarship granting organization's revenue from program
- 385 donations and other funding sources are spent on administration of the program;
- 386 (iii) up to 3% of the scholarship granting organization's revenue from program
- 387 donations and other funding sources are spent on marketing and fundraising costs;
- 388 and
- 389 (iv) all revenue from interest or investments is spent on scholarships;
- 390 (g) carry forward no more than 60% of the scholarship granting organization's funds,
- 391 less funds for a scholarship that has been awarded, and funds expended for
- 392 administration and marketing, from the state fiscal year in which the scholarship
- 393 granting organization received the funds to the following state fiscal year;
- 394 (h) at the end of a state fiscal year, remit to the state treasurer donation amounts greater
- 395 than the amount described in Subsection (3)(g);
- 396 (i) prohibit a scholarship granting organization employee or officer from handling,
- 397 managing, or processing program donations or other funds, if, based on a criminal
- 398 background check conducted by the state board in accordance with Section 53E-7-404,
- 399 the state board identifies the employee or officer as posing a risk to the appropriate
- 400 use of program donations or other funds;
- 401 (j) ensure that a scholarship can be transferred during the school year to a different
- 402 qualifying school or qualifying provider that accepts the scholarship student;

- 403 (k) report to the state board on or before November 1 of each year the following  
 404 information, prepared by a certified public accountant:
- 405 (i) the name and address of the scholarship granting organization;
- 406 (ii) the total number and total dollar amount of program donations and other funding  
 407 sources that the scholarship granting organization received during the previous  
 408 calendar year;
- 409 (iii)~~[(A)]~~ the total number and total dollar amount of scholarships the scholarship  
 410 granting organization awarded during the previous state fiscal year to eligible  
 411 students~~[-described in Subsection 53E-7-401(2)(a)]~~; and  
 412 ~~[(B) the total number and total dollar amount of scholarships the scholarship  
 413 granting organization awarded during the previous state fiscal year to eligible  
 414 students described in Subsection 53E-7-401(2)(b); and]~~
- 415 (iv) the percentage of first-time scholarship recipients who were enrolled in a public  
 416 school during the previous school year or who entered kindergarten or a higher  
 417 grade for the first time in ~~[Utah]~~ this state;
- 418 (l) issue tax credit certificates as described in Section 53E-7-407; ~~[and]~~
- 419 (m)(i) require a parent to notify a scholarship granting organization if the parent's  
 420 scholarship recipient:
- 421 (A) receives scholarship money for tuition expenses; and
- 422 (B) does not have continuing enrollment and attendance at a qualifying school; or
- 423 (ii) has transitioned to be a home-based student~~[-]~~ ;
- 424 (n) verify an applicants Utah residency through:
- 425 (i) the State Tax Commission as described in Section 53E-7-402; or
- 426 (ii) at least two forms of documentation, including a:
- 427 (A) current Utah drivers license;
- 428 (B) valid Utah voter registration card;
- 429 (C) utility bill dated within the last 60 days;
- 430 (D) current Utah vehicle registration; or
- 431 (E) Utah tax return from the previous year;
- 432 (o) ensure that combined expenses from extracurricular activities and physical education  
 433 do not exceed 20% of the total scholarship amount;
- 434 (p) facilitate an appeals process for denied reimbursements;
- 435 (q) be prohibited from charging any processing fees to an eligible student or pass on  
 436 third-party fees related to the use or management of scholarship funds; and

- 437           (r) conduct an annual independent audit and publicly disclose all third-party contracts  
438           and fees.
- 439       (4) The state treasurer shall deposit the money described in Subsection (3)(h) into the  
440           Income Tax Fund.
- 441       (5)(a) An application for a scholarship shall contain an acknowledgment by the  
442           applicant's parent that the qualifying school or qualifying provider selected by the  
443           parent for the applicant to attend or participate in using a scholarship is capable of  
444           providing the level of disability services required for the student.
- 445       (b) A scholarship application form shall contain the following statement:
- 446           "I acknowledge that:
- 447           (1) A private school may not provide the same level of disability services that are provided  
448           in a public school;
- 449           (2) I will assume full financial responsibility for the education of my scholarship recipient  
450           if I accept this scholarship;
- 451           (3) Acceptance of this scholarship has the same effect as a parental refusal to consent to  
452           services as described in 24 C.F.R. Sec. 300.300, issued under the Individuals with Disabilities  
453           Education Act, 20 U.S.C. Sec. 1400 et seq.; and
- 454           (4) My child may return to a public school at any time."
- 455       (c) Upon acceptance of a scholarship, the parent assumes full financial responsibility for  
456           the education of the scholarship recipient.
- 457       (d) Acceptance of a scholarship has the same effect as a parental refusal to consent to  
458           services as described in 24 C.F.R. Sec. 300.300, issued under the Individuals with  
459           Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.
- 460       (e) The creation of the program or granting of a scholarship does not:
- 461           (i) imply that a public school did not provide a free and appropriate public education  
462           for a student; or
- 463           (ii) constitute a waiver or admission by the state.
- 464       (6) A scholarship granting organization shall demonstrate the scholarship granting  
465           organization's financial accountability by annually submitting to the state board a  
466           financial information report that:
- 467           (a) complies with the uniform financial accounting standards described in Section  
468           53E-7-404; and
- 469           (b) is prepared by a certified public accountant.
- 470       (7)(a) [~~If a scholarship granting organization allocates \$500,000 or more in scholarships~~

- 471 ~~annually through the program, the ]~~ The scholarship granting organization shall:
- 472 (i) contract for an annual audit, conducted by a certified public accountant who is  
473 independent from:
- 474 (A) the scholarship granting organization; and  
475 (B) the scholarship granting organization's accounts and records pertaining to  
476 program donations and other funding sources; and
- 477 (ii) in accordance with Subsection (7)(b), report the results of the audit to the state  
478 board for review.
- 479 (b) For the report described in Subsection (7)(a)(ii), the scholarship granting  
480 organization shall:
- 481 (i) include the scholarship granting organization's financial statements in a format  
482 that meets generally accepted accounting standards; and  
483 (ii) submit the report to the state board no later than November 1.
- 484 (c) The certified public accountant shall conduct an audit described in Subsection  
485 (7)(a)(i) in accordance with generally accepted auditing standards and rules made by  
486 the state board.
- 487 (d)(i) The state board shall review a report submitted under this section and may  
488 request that the scholarship granting organization revise or supplement the report  
489 if the report is not in compliance with the provisions of this Subsection (7) or rules  
490 adopted by the state board.
- 491 (ii) A scholarship granting organization shall provide a revised report or supplement  
492 to the report no later than 45 days after the day on which the state board makes a  
493 request described in Subsection (7)(d)(i).
- 494 (8)(a) A scholarship granting organization may not allocate scholarship money to a  
495 qualifying school or qualifying provider if:
- 496 (i) the scholarship granting organization determines that the qualifying school or  
497 qualifying provider intentionally or substantially misrepresented information on  
498 overpayment;
- 499 (ii) the qualifying school or qualifying provider fails to refund an overpayment in a  
500 timely manner; or
- 501 (iii) the qualifying school or qualifying provider routinely fails to provide scholarship  
502 recipients with promised educational goods or services.
- 503 (b) A scholarship granting organization shall notify a scholarship recipient if the  
504 scholarship granting organization stops allocation of the recipient's scholarship

- 505 money to a qualifying school or qualifying provider under Subsection (8)(a).
- 506 (9) If a scholarship recipient transfers to another qualifying school or qualifying provider  
507 during the school year, the scholarship granting organization may prorate scholarship  
508 money between the qualifying schools or qualifying providers according to the time the  
509 scholarship recipient spends at each school or each provider.
- 510 (10) A scholarship granting organization may not:
- 511 (a) award a scholarship to a relative of the scholarship granting organization's officer; or  
512 (b) allocate scholarship money to a qualifying school or qualifying provider at which the  
513 scholarship recipient has a relative who is an officer or an administrator of the  
514 qualifying school or qualifying provider.
- 515 (11) The Legislature may appropriate funds to the board to be distributed in an equal  
516 amount to each scholarship granting organization for the same purposes program  
517 donations are used.
- 518 Section 5. Section **53E-7-407** is amended to read:
- 519 **53E-7-407 (Effective 05/06/26). Tax credit certificates issued by a scholarship**  
520 **granting organization.**
- 521 (1) In accordance with this section, a scholarship granting organization shall provide a tax  
522 credit certificate, on a form provided by the State Tax Commission, to a person that  
523 makes a donation as described in Section 53E-7-405.
- 524 (2)(a) The scholarship granting organization shall provide the information from a  
525 completed tax credit certificate to the State Tax Commission electronically and in a  
526 manner prescribed by the State Tax Commission on or before the end of each April  
527 following the close of the taxable year for which a tax credit certificate is issued.
- 528 (b) A scholarship granting organization shall issue a tax credit certificate within 30 days  
529 after the day on which a person makes a donation to the program.
- 530 (3)(a) Before accepting a donation to the program from a person, the scholarship  
531 granting organization shall provide the person with notice:
- 532 (i) that the donation may not be eligible for a tax credit;  
533 (ii) of the process described in Subsection (3)(b); and  
534 (iii) of the total amount of tax credit certificates that the scholarship granting  
535 organization has issued for the calendar year.
- 536 (b) During a calendar year, a scholarship granting organization shall:
- 537 (i) issue tax credit certificates in the order that the scholarship granting organization  
538 received a corresponding donation; and

- 539 (ii) track the total amount of program donations received during the year as  
540 corresponding tax credit certificates are issued.
- 541 (c) If a scholarship granting organization accepts a donation that, when added to the  
542 current total amount of program donations received that year, will exceed the  
543 program donations cap described in Subsection (4), the scholarship granting  
544 organization shall issue a tax credit certificate in the amount that is the difference  
545 between the program donations cap and the total amount of program donations  
546 received before the donation was received.
- 547 (4)(a) The program donations cap for the 2021 calendar year is \$5,940,000.
- 548 (b) For a calendar year after 2021, the state board shall calculate the program donations  
549 cap as follows:
- 550 (i) if the total program donations for the previous calendar year exceed 90% of the  
551 cap amount for that calendar year, the cap for the current calendar year is the cap  
552 amount for the previous calendar year increased by 10% plus a percentage equal  
553 to the percentage of growth in the participation of the program from the previous  
554 calendar year; or
- 555 (ii) if the total program donations for the previous calendar year did not exceed 90%  
556 of the cap amount for that calendar year, the cap for the current calendar year is  
557 the same as the cap amount for the previous calendar year.
- 558 (5) A person that receives a tax credit certificate in accordance with this section shall retain  
559 the certificate for the same time period a person is required to keep books and records  
560 under Section 59-1-1406.
- 561 (6) Except as provided in Subsection (7), if a tax credit is issued under this Section for a  
562 donation, the tax credit shall be issued for the taxable year in which the donation is made.
- 563 (7) Notwithstanding Subsection (6), if a tax credit is issued under this section for a  
564 donation, a tax credit may be issued for the previous taxable year if:
- 565 (a) the contribution is made on or before the fifteenth day of April following the end of  
566 the previous taxable year;
- 567 (b) the person receiving the tax credit certifies in writing that they will not claim a  
568 deduction or credit on their federal income tax return for the donation amount to the  
569 extent that they claim a tax credit under Section 59-7-625 or Section 59-10-1041 for  
570 the same donation; and
- 571 (c) the scholarship granting organization includes in the report described in Subsection  
572 (2), the date the donation was made.

573 (8) For purposes of calculating the donation cap described in Subsection (4), a tax credit  
574 amount shall count against the donation cap for the year in which the tax credit is issued.

575 Section 6. Section **53E-7-408** is amended to read:

576 **53E-7-408 (Effective 05/06/26). Eligible private schools.**

577 (1) To be eligible [to enroll a scholarship student] to receive scholarship funds on behalf of a  
578 scholarship student as an eligible school, a private school shall:

579 (a) have a physical location in [~~Utah~~] the state where the scholarship students attend  
580 classes and have direct contact with the school's teachers;

581 (b)(i) contract with an independent licensed certified public accountant to conduct an  
582 Agreed Upon Procedures engagement as adopted by the state board, or obtain an  
583 audit and report from a licensed independent certified public accountant that  
584 conforms with the following requirements:

585 (A) the audit shall be performed in accordance with generally accepted auditing  
586 standards;

587 (B) the financial statements shall be presented in accordance with generally  
588 accepted accounting principles; and

589 (C) the audited financial statements shall be as of a period within the last 12  
590 months; and

591 (ii) submit the audit report or report of the agreed upon procedure to the state board  
592 when the private school applies to accept scholarship [~~students~~] funds;

593 (c) comply with the antidiscrimination provisions of 42 U.S.C. 2000d;

594 (d) meet state and local health and safety laws and codes;

595 (e) provide a written disclosure to the parent of each prospective student, before the  
596 student is enrolled, of:

597 (i) the special education services that will be provided to the scholarship student,  
598 including the cost of those services;

599 (ii) tuition costs;

600 (iii) additional fees a parent will be required to pay during the school year; and

601 (iv) the skill or grade level of the curriculum in which the prospective student will  
602 participate;

603 (f)(i) administer an annual assessment of each scholarship student's academic  
604 progress; and

605 (ii) report the results of the assessment described in Subsection (1)(f)(i) to the  
606 scholarship student's parent;

- 607 (g) employ or contract with teachers who:
- 608 (i) hold baccalaureate or higher degrees;
- 609 (ii) have at least three years of teaching experience in public or private schools; or
- 610 (iii) have the necessary skills, knowledge, or expertise that qualifies the teacher to
- 611 provide instruction:
- 612 (A) in the subject or subjects taught; and
- 613 (B) to the special needs students taught;
- 614 (h) maintain documentation demonstrating that teachers at the private school meet the
- 615 qualifications described in Subsection (1)(g);
- 616 (i) require the following individuals to submit to a nationwide, fingerprint-based
- 617 criminal background check and ongoing monitoring, in accordance with Section
- 618 53G-11-402, as a condition for employment or appointment, as authorized by the
- 619 Adam Walsh Child Protection and Safety Act of 2006, Pub. L. No. 109-248:
- 620 (i) an employee who does not hold a current Utah educator license issued by the state
- 621 board under Chapter 6, Education Professional Licensure;
- 622 (ii) a contract employee; and
- 623 (iii) a volunteer who is given significant unsupervised access to a student in
- 624 connection with the volunteer's assignment; and
- 625 (j) provide to the parent of a scholarship student the relevant credentials of the teachers
- 626 who will be teaching the scholarship student.
- 627 (2) A private school described in Subsection (1) is not eligible to [~~enroll~~] receive scholarship [
- 628 students] funds if:
- 629 (a) the private school requires a student to sign a contract waiving the student's rights to
- 630 transfer to another qualifying school during the school year;
- 631 (b) the audit report submitted under Subsection (1)(b) contains a going concern
- 632 explanatory paragraph;
- 633 (c) the report of the agreed upon procedures submitted under Subsection (1)(b) shows
- 634 that the private school does not have adequate working capital to maintain operations
- 635 for the first full year, as determined under Subsection (1)(b); or
- 636 (d) the private school charges a scholarship student more in tuition or fees than another
- 637 student based solely upon the scholarship student being a scholarship recipient under
- 638 this part.
- 639 (3) Residential treatment facilities licensed by the state are not eligible to enroll scholarship
- 640 students.

- 641 (4) A private school intending to enroll scholarship students and receive scholarship funds  
642 shall:
- 643 (a) submit an application to the state board.
- 644 (b) agree to not refund, rebate, or share scholarship funds with a scholarship student or  
645 scholarship student's parent in any manner except for remittances or refunds  
646 processed through the scholarship granting organization to a scholarship account in  
647 accordance with this part and procedures that the scholarship granting organization  
648 establishes.
- 649 (5) The state board shall:
- 650 (a) approve a private school's application to enroll scholarship students, if the private  
651 school meets the eligibility requirements of this section; and
- 652 (b) publish on the state board's website, a list of private schools approved under this  
653 section.
- 654 (6) A private school approved under this section that changes ownership shall cease  
655 operation as an eligible school until the private school:
- 656 (a) submit a new application to the state board; and
- 657 (b) [~~demonstrate~~] demonstrates that the private school continues to meet the eligibility  
658 requirements of this section.
- 659 Section 7. Section **53E-7-408.5** is amended to read:
- 660 **53E-7-408.5 (Effective 05/06/26). Eligible service provider.**
- 661 (1) To be an eligible service provider, a private program or service:
- 662 (a) shall provide to the scholarship granting organization:
- 663 (i) a federal employer identification number;
- 664 (ii) the provider's address and contact information;
- 665 (iii) a description of each program or service the provider proposes to offer directly to  
666 a scholarship student; and
- 667 (iv) subject to Subsection (2), any other information as required by the scholarship  
668 granting organization;
- 669 (b) shall comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d; and
- 670 (c) may not act as a consultant, clearing house, or intermediary that connects a  
671 scholarship student with or otherwise facilitates the student's engagement with a  
672 program or service that another entity provides.
- 673 (2) The scholarship granting organization shall adopt policies that maximize the number of  
674 eligible service providers, including accepting new providers throughout the school year,

- 675 while ensuring education programs or services provided through the program meet  
676 student needs and otherwise comply with this part.
- 677 (3) A private program or service intending to receive scholarship funds shall:
- 678 (a) submit an application to the scholarship granting organization; [~~and~~]  
679 (b) complete all required orientation programs established by the scholarship granting  
680 organization before receiving any scholarship funds and maintain a current  
681 orientation status throughout participation in the program; and  
682 [~~(b)~~] (c) agree to not refund, rebate, or share scholarship funds with scholarship students  
683 or scholarship students' parents in any manner except remittances or refunds to a  
684 scholarship account in accordance with this part and procedures that the program  
685 manager establishes.
- 686 (4) The scholarship granting organization shall:
- 687 (a) if the private program or service meets the eligibility requirements of this section,  
688 recognize the private program or service as an eligible service provider and approve a  
689 private program or service's application to receive scholarship funds on behalf of a  
690 scholarship student; and  
691 (b) make available to the public a list of eligible service providers approved under this  
692 section.
- 693 (5) A private program or service approved under this section that changes ownership shall:
- 694 (a) cease operation as an eligible service provider until:
- 695 (i) the program or service submits a new application to the scholarship granting  
696 organization; and  
697 (ii) the scholarship granting organization approves the new application; and  
698 (b) demonstrate that the private program or service continues to meet the eligibility  
699 requirements of this section.
- 700 (6) The following are not eligible service providers:
- 701 (a) a parent of a home-based scholarship student or a home school student solely in  
702 relation to the parent's child; or  
703 (b) any other individual that does not meet the requirements described in this section.
- 704 (7) Nothing prohibits an entity that provides education services under the Statewide Online  
705 Education Program described in Title 53F, Chapter 4, Part 5, Statewide Online  
706 Education Program, from operating as an eligible service provider under this part to  
707 provide education services to scholarship students.

708 Section 8. Section **53F-6-401** is amended to read:

709 **53F-6-401 (Effective 05/06/26). Definitions.**

710 As used in this part:

- 711 (1) "Contract administrator" means the state board's appointed Deputy Superintendent of  
712 Operations that ensures the program manager or financial administrator meets  
713 contractual obligations.
- 714 (2) "Contract oversight and compliance" means the oversight and coordination functions  
715 performed by the Department of Operations contract administrator, including:  
716 (a) establishing and maintaining program standards within a contract with a program  
717 manager or financial administrator;  
718 (b) determining operational requirements and structures;  
719 (c) procuring and managing contracts for program services and standards;  
720 (d) ensuring program integrity through direct or contracted oversight;  
721 (e) coordinating program functions and contracted services with a program manager or  
722 financial administrator; and  
723 (f) maintaining appropriate separation between government oversight and independent  
724 program operations.
- 725 (3) "Contracted entity" means:  
726 (a) an organization that:  
727 (i) contracts with the state board under Section 53F-6-404 to perform duties and  
728 functions necessary for program administration and operations;  
729 (ii) is not affiliated with any international organization;  
730 (iii) does not harvest data for the purpose of reproducing or distributing the data to  
731 other entities;  
732 (iv) is not involved in guiding or directing any curriculum or curriculum standards;  
733 and  
734 (v) performs the specific duties and functions assigned in the contract with the state  
735 board.
- 736 (b) "Contracted entity" includes:  
737 (i) the program manager, unless the program manager is the Department of  
738 Operations for any duration of time;  
739 (ii) the financial administrator; and  
740 (iii) any other entity contracted to perform program functions under Section  
741 53F-6-404.
- 742 (c) "Contracted entity" does not include:

- 743 (i) a qualifying provider;
- 744 (ii) an eligible school; or
- 745 (iii) an eligible service provider.
- 746 (4)(a) "Contracted entity employee" means an individual working for an entity
- 747 contracted under Section 53F-6-404 in a position in which the individual's salary,
- 748 wages, pay, or compensation, including as a contractor, is paid from scholarship
- 749 funds.
- 750 (b) "Contracted entity employee" does not include:
- 751 (i) an individual who volunteers for a contracted entity or for a qualifying provider;
- 752 (ii) an individual who works for a qualifying provider; or
- 753 (iii) a qualifying provider.
- 754 (5) "Contracted entity officer" means:
- 755 (a) a member of the board of a contracted entity; or
- 756 (b) the chief administrative officer of a contracted entity.
- 757 (6) "Department of Operations" means the section of the state board that oversees financial
- 758 operations, procurement operations, data and statistics operations, school land trust, and
- 759 information technology operations for the state board.
- 760 (7)(a) "Educational supplements" means:
- 761 (i) materials, tools, and equipment that:
- 762 (A) are directly related to and necessary for subjects aligned with the core
- 763 standards the state board establishes pursuant to Section 53E-4-202;
- 764 (B) are used for specific learning objectives or competencies;
- 765 (C) support structured learning activities or lessons; and
- 766 (D) are consumable or non-reusable in nature;
- 767 (ii) supplemental learning materials that:
- 768 (A) directly support or enhance the delivery of instruction in core academic
- 769 subjects;
- 770 (B) are tied to specific educational goals or outcomes; and
- 771 (C) are not primarily for entertainment or general enrichment purposes;
- 772 (iii) arts and music education materials that:
- 773 (A) align with state core standards; and
- 774 (B) are used in structured arts or music instruction; and
- 775 (iv) other educational materials that the program manager determines are:
- 776 (A) necessary for meeting specific learning objectives;

- 777 (B) appropriate for the student's age or grade level; and  
778 (C) primarily educational rather than recreational in nature.
- 779 (b) "Educational supplements" does not include:
- 780 (i) entertainment materials;  
781 (ii) recreational equipment;  
782 (iii) food or nutritional items;  
783 (iv) furniture or household items;  
784 (v) general office supplies not specific to an educational activity; or  
785 (vi) other items that do not have a clear, direct educational purpose aligned with  
786 academic instruction.
- 787 (8) "Eligible student" means a student:
- 788 (a) who is eligible to participate in public school, in kindergarten, or grades 1 through 12;  
789 (b) who has not reached 19 years old before September 1 of the school year;
- 790 [~~(b)~~] (c) who is a primary resident of the state, including a child of a military service  
791 member, as that term is defined in Section 53H-11-202;
- 792 [~~(c)~~] (d) who, during the school year for which the student is applying for a scholarship  
793 account:
- 794 (i) does not receive a scholarship under:
- 795 (A) the Carson Smith Scholarship Program established in Section 53F-4-302; or  
796 (B) the Carson Smith Opportunity Scholarship Program established in Section  
797 53E-7-402; and
- 798 (ii) before receiving the scholarship is not enrolled in:
- 799 (A) an LEA; or  
800 (B) the Statewide Online Education Program to participate in a course with  
801 funding provided under Chapter 4, Part 5, Statewide Online Education  
802 Program, which does not include participation in a course by an entity as  
803 described in Subsection 53F-6-409(7);
- 804 [~~(d)~~] (e) whose eligibility is not suspended or disqualified under Section 53F-6-401;  
805 [~~(e)~~] (f) who completes, to maintain eligibility, the portfolio requirement described in  
806 Subsection 53F-6-402(3)(d);
- 807 [~~(f)~~] (g) who provides verification of primary residence in Utah, including a parent's  
808 utility bill, mortgage statement, lease agreement, or property tax records from the  
809 current calendar year in which the eligible student is renewing, reapplying, or  
810 applying for the scholarship for the first time; and

- 811           ~~(g)~~ (h) for out-of-state military families, who attests that the student is not enrolled in a  
812           public school elsewhere while receiving the scholarship.
- 813 (9) "Federal poverty level" means the United States poverty level as defined by the most  
814           recently revised poverty income guidelines published by the United States Department  
815           of Health and Human Services in the Federal Register.
- 816 (10)(a) "Financial administrator" means an organization that:
- 817           (i) is not affiliated with any international organization;
- 818           (ii) does not harvest data for the purpose of reproducing or distributing the data to  
819           other entities;
- 820           (iii) is not involved in guiding or directing any curriculum or curriculum standards;  
821           and
- 822           (iv) contracts with the state board to administer scholarship payments in accordance  
823           with this part.
- 824 (b) "Financial administrator" may include an organization that serves as both program  
825           manager and financial administrator if the organization maintains appropriate  
826           separation of duties and meets all qualifications for both roles.
- 827 (11)(a) "Home-based scholarship student" means a student who:
- 828           (i) is eligible to participate in public school, in kindergarten or grades 1 through 12;
- 829           (ii) attests to being exited from enrollment in a public school to attend a home-based  
830           learning environment if the student was enrolled at any time in a public school;  
831           and
- 832           (iii) receives a benefit of scholarship funds.
- 833 (b) "Home-based scholarship student" does not mean a home-based student who does  
834           not receive a scholarship under the program.
- 835 (12) "Household income" means:
- 836           (a) the combined gross income of all parents residing in the same household as the  
837           eligible student;
- 838           (b) the gross income of a single parent who claims the student as a dependent; or
- 839           (c) the gross income of a parent who claims the student as a dependent under the terms  
840           of a joint custody agreement.
- 841 (13) "Parent" means:
- 842           (a) the same as that term is defined in Section 53E-1-102; and
- 843           (b) a foster parent who has initiated a process to adopt the foster child.
- 844 (14) "Primary residence" means the one location where an individual resides for the

- 845 majority of the year.
- 846 (15)(a) "Private school" means a full-time, tuition-bearing educational institution where  
847 the student receives the majority of the student's academic instruction.
- 848 (b) "Private school" does not include an entity that distributes, rebates, or passes through  
849 to families any portion of enrollment-based funding received by an LEA.
- 850 (16)(a) "Program manager" means a contracted entity or entities that:
- 851 (i) perform program operational functions outlined in the procurement agreement  
852 described in Section 53F-6-404, including:
- 853 (A) processing scholarship applications and eligibility determinations;  
854 (B) maintaining scholarship account records;  
855 (C) coordinating with qualifying providers and the financial administrator; and  
856 (D) providing customer service to program participants;
- 857 (ii) in accordance with required program administration, implement established  
858 program standards and procedures; and
- 859 (iii) perform other operational duties as specified in the contract.
- 860 (b) "Program manager" may include an organization that serves as both program  
861 manager and financial administrator if the organization maintains appropriate  
862 separation of duties and meets all qualifications for both roles.
- 863 (17)(a) "Qualifying provider" means one of the following entities:
- 864 (i) an eligible school that the program manager approves in accordance with Section  
865 53F-6-408; or
- 866 (ii) an eligible service provider that the program manager approves in accordance  
867 with Section 53F-6-409.
- 868 (b) "Qualifying provider" does not include:
- 869 (i) a parent of a home-based scholarship student solely in relation to the parent's  
870 child; or
- 871 (ii) any other individual that does not meet the requirements described in Subsection  
872 (17)(a).
- 873 (18) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother, uncle,  
874 aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law,  
875 sister-in-law, son-in-law, or daughter-in-law.
- 876 (19) "Scholarship account" means the account to which a program manager allocates funds  
877 for the payment of approved scholarship expenses in accordance with this part.
- 878 (20)(a) "Scholarship expense" means an expense described in Section 53F-6-402 that a

- 879 parent or scholarship student incurs in the education of the scholarship student for a  
880 service or goods that a qualifying provider provides, including:
- 881 (i) tuition and fees of a qualifying provider;
  - 882 (ii) fees and instructional materials at a technical college;
  - 883 (iii) tutoring services;
  - 884 (iv) fees for after-school or summer education programs;
  - 885 (v) textbooks, curricula, or other instructional materials, including any supplemental  
886 materials or associated online instruction that a curriculum or a qualifying  
887 provider recommends;
  - 888 (vi) educational software and applications;
  - 889 (vii) supplies or other equipment related to a scholarship student's educational needs;
  - 890 (viii) computer hardware or other technological devices that are intended primarily  
891 for a scholarship student's educational needs, not to exceed once every three years  
892 for a scholarship student;
  - 893 (ix) fees for the following examinations, or for a preparation course for the following  
894 examinations, that the program manager approves:
    - 895 (A) a national norm-referenced or standardized assessment described in Section  
896 53F-6-410, an advanced placement examination, or another similar assessment;
    - 897 (B) a state-recognized industry certification examination; and
    - 898 (C) an examination related to college or university admission;
  - 899 (x) educational services for students with disabilities from a licensed or accredited  
900 practitioner or provider, including occupational, behavioral, physical, audiology,  
901 or speech-language therapies;
  - 902 (xi) contracted services that the program manager approves and that an LEA provider  
903 offers, including individual classes, after-school tutoring services, transportation,  
904 or fees or costs associated with participation in extracurricular activities;
  - 905 (xii) ride fees or fares for a fee-for-service transportation provider to transport the  
906 scholarship student to and from a qualifying provider, not to exceed \$750 in a  
907 given school year;
  - 908 (xiii) in accordance with Subsection (20)(c), expenses related to extracurricular  
909 activities, field trips, educational supplements, physical education experiences,  
910 and other educational experiences;
  - 911 (xiv) coursework or an educational supplement for arts and music that aligns with  
912 state core standards;

- 913 (xv) a musical instrument rental, excluding purchase; or  
914 (xvi) any other expense for a good or service that:  
915 (A) a parent or scholarship student incurs in the education of the scholarship  
916 student; and  
917 (B) the program manager approves.
- 918 (b) "Scholarship expense" does not include:  
919 (i) chaperone expenses, except that a family with one or more scholarship students  
920 receiving the scholarship under Subsection 53F-6-402(2)(c) may use scholarship  
921 funds for one chaperone expense or pass per family, regardless of how many  
922 scholarship students are in the family or household;  
923 (ii) season tickets or subscriptions to entertainment venues;  
924 (iii) ski passes or lift tickets;  
925 (iv) access to recreational facilities unless for physical education of the student;  
926 (v) playground equipment;  
927 (vi) the purchase of any type of:  
928 (A) furniture; or  
929 (B) a musical instrument;  
930 (vii) apparel; and  
931 (viii) other non-educational expenses as the program manager determines.
- 932 (c)(i) A scholarship expense for extracurricular activities may not exceed 20% of the  
933 total scholarship amount.  
934 (ii) A scholarship expense for physical education requirements may not exceed an  
935 additional 20% of the total scholarship amount from the amount described in  
936 Subsection (20)(c)(i).  
937 (iii) A scholarship expense for arts and music described in Subsection (20)(a)(xiv) is  
938 not an extracurricular activity.
- 939 (21) "Scholarship funds" means:  
940 (a) funds that the Legislature appropriates for the program; and  
941 (b) interest that scholarship funds accrue.
- 942 (22)(a) "Scholarship student" means an eligible student, including a home-based  
943 scholarship student, for whom the program manager establishes and maintains a  
944 scholarship account in accordance with this part.  
945 (b) "Scholarship student" does not include a home-based student who does not receive a  
946 scholarship award under the program.

947 (23) "Utah Fits All Scholarship Program" or "program" means the scholarship program  
948 established in Section 53F-6-402.

949 Section 9. Section **53F-6-402** is amended to read:

950 **53F-6-402 (Effective 05/06/26). Utah Fits All Scholarship Program --**  
951 **Scholarship account application -- Scholarship expenses -- Program information.**

952 (1) Subject to Section 53F-6-415.5, there is established the Utah Fits All Scholarship  
953 Program under which a parent may apply to establish and maintain a scholarship  
954 account to cover the cost of a scholarship expense.

955 (2)(a) In accordance with this part and required program administration, the program  
956 manager shall establish and maintain scholarship accounts for eligible students.

957 (b) The program manager shall:

958 (i) determine that a student meets the requirements to be an eligible student; and

959 (ii) subject to Subsection (2)(c), each year the student is an eligible student,  
960 coordinate with the financial administrator to maintain a scholarship account for  
961 the scholarship student to pay for the cost of one or more scholarship expenses  
962 that the student or student's parent incurs in the student's education.

963 (c) Each year, subject to this part and legislative appropriations, a scholarship student is  
964 eligible for no more than:

965 (i) for a private school student, \$8,000;

966 (ii) for a home-based scholarship student age 5-11 as of September 1 of the  
967 scholarship year, \$4,000; and

968 (iii) for a home-based scholarship student age 12-18 as of September 1 of the  
969 scholarship year, \$6,000.

970 (d) Unless otherwise authorized under Section 53F-6-411, scholarship funds to eligible  
971 scholarship students shall be distributed to the program manager and through the  
972 financial administrator in two equal payments:

973 (i) the first payment no later than July 31 of the scholarship year; and

974 (ii) the second payment no later than December 31 of the scholarship year.

975 (e) When a scholarship student exits the program during the school year:

976 (i) the program manager or the financial administrator shall:

977 (A) remove any remaining funds from the exited student's scholarship account; and

978 (B) make those funds available for new scholarship awards within the same year;

979 and

980 (ii) any new scholarship award made during the same year and using funds from an

- 981 exited student's account shall be prorated as follows:
- 982 (A) if awarded during the second quarter of the school year, no more than 75% of  
983 the annual scholarship amount is allocated;
- 984 (B) if awarded during the third quarter of the school year, no more than 50% of  
985 the annual scholarship amount is allocated; and
- 986 (C) no new scholarship awards shall be made during the fourth quarter of the  
987 school year.
- 988 (3)(a) In accordance with required program administration, a program manager shall  
989 direct the financial administrator to establish a scholarship account on behalf of an  
990 eligible student who submits a timely application, unless the number of applications  
991 exceeds available scholarship funds for the school year.
- 992 (b) If the number of applications exceeds the available scholarship funds for a school  
993 year, the program manager shall select students on a random basis, except as  
994 provided in Subsection (6), and as long as the student meets the eligibility criteria.
- 995 (c) An eligible student or a public education student shall submit an application for an  
996 initial scholarship or renewal for each school year that the student intends to receive  
997 scholarship funds.
- 998 (d)(i) To maintain eligibility for the following school year, a scholarship student or  
999 the scholarship student's parent shall:
- 1000 (A) complete and deliver to the program manager a portfolio describing the  
1001 scholarship student's educational opportunities and achievements under the  
1002 program for the given year; or
- 1003 (B) submit results from an assessment as described in Section 53F-6-410.
- 1004 (ii) The portfolio or assessment described in Subsection (3)(d)(i) must be submitted:  
1005 (A) no later than May 31; or  
1006 (B) in accordance with the assessment schedule submitted to and approved by the  
1007 program manager.
- 1008 (iii) The receipt of the portfolio or assessment results by the program manager is a  
1009 condition of scholarship award for the following school year.
- 1010 (iv) The program manager may not disclose the content of a given scholarship  
1011 student's portfolio except to the scholarship student's parent, unless the parent  
1012 provides written consent for the portfolio to be used as a sample or example, in  
1013 which case all personally identifiable information must be removed prior to such  
1014 use.

- 1015 (4)(a) An application for a scholarship account shall contain an acknowledgment by the  
1016 student's parent that the qualifying provider selected by the parent for the student's  
1017 enrollment or engagement can provide education services for the student.
- 1018 (b) A scholarship account application form shall contain the following statement:  
1019 "I acknowledge that:  
1020 1: A qualifying provider may not provide the same level of disability services that are  
1021 provided in a public school;  
1022 2: I will assume full financial responsibility for the education of my scholarship  
1023 recipient if I agree to this scholarship account;  
1024 3: Agreeing to establish this scholarship account has the same effect as a parental refusal  
1025 to consent to services as described in 34 C.F.R. Sec. 300.300, issued under the Individuals  
1026 with Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.; and  
1027 4: My child may return to a public school at any time, and I will notify the program  
1028 manager within five business days if my child returns to a public school that is not a qualifying  
1029 provider or if we have elected to take courses from the public portion of a qualifying  
1030 provider.".
- 1031 (c) Upon agreeing to establish a scholarship account, the parent assumes full financial  
1032 responsibility for the education of the scholarship student, including the balance of  
1033 any expense incurred at a qualifying provider or for goods that are not paid for by the  
1034 scholarship student's scholarship account.
- 1035 (d) Agreeing to establish a scholarship account has the same effect as a parental refusal  
1036 to consent to services as described in 34 C.F.R. Sec. 300.300, issued under the  
1037 Individuals with Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.
- 1038 (e) The creation of the program or establishment of a scholarship account on behalf of a  
1039 student does not:  
1040 (i) imply that a public school did not provide a free and appropriate public education  
1041 for a student; or  
1042 (ii) constitute a waiver or admission by the state.
- 1043 (5) A program manager or financial administrator may not charge a scholarship account  
1044 application fee.
- 1045 (6)(a) A program manager shall give an enrollment preference based on the following  
1046 order of preference:  
1047 (i) to an eligible student who used a scholarship account in the previous school year  
1048 and has submitted the required accountability measure;

- 1049 (ii) to an eligible student who is a sibling of an eligible student who:
- 1050 (A) uses a scholarship account at the time the sibling applies for a scholarship
- 1051 account; or
- 1052 (B) used a scholarship account in the school year immediately preceding the
- 1053 school year for which the sibling is applying for a scholarship account;
- 1054 ~~[(ii)]~~ (iii) to an eligible student:
- 1055 (A) who did not use a scholarship account in the previous school year;[~~and~~]
- 1056 (B) with a family income at or below 300% of the federal poverty level; and
- 1057 (C) was part of a household that received a partial scholarship award under
- 1058 Subsection 53F-6-402(14)(c) and the sibling was not among the children who
- 1059 received a scholarship in that partial award; and
- 1060 ~~[(iii) to an eligible student who is a sibling of an eligible student who:]~~
- 1061 ~~[(A) uses a scholarship account at the time the sibling applies for a scholarship~~
- 1062 ~~account; or]~~
- 1063 ~~[(B) used a scholarship account in the school year immediately preceding the~~
- 1064 ~~school year for which the sibling is applying for a scholarship account; and]~~
- 1065 (iv) for any remaining scholarships, to an eligible student on a lottery basis.
- 1066 (b) If the number of eligible students within any preference tier described in Subsection
- 1067 (6)(a) exceeds available scholarship funds the program manager shall grant awards
- 1068 on a lottery basis.
- 1069 (c)(i) For income verification purposes, a parent of a scholarship student shall:
- 1070 (A) provide written consent authorizing the State Tax Commission to disclose the
- 1071 parent's state individual income tax return information to the program manager;
- 1072 and
- 1073 (B) submit the consent in a form prescribed by the State Tax Commission.
- 1074 (ii) Upon receiving the consent described in Subsection (6)(c)(i), the State Tax
- 1075 Commission shall provide state individual income tax information to the program
- 1076 manager for income verification purposes regarding the parent within 10 business
- 1077 days.
- 1078 (d) For income verification purposes:
- 1079 (i) the program manager shall require documentation of household income, not
- 1080 individual income;
- 1081 (ii) if the individual income tax is a business income filing, require:
- 1082 (A) the most recently filed business tax returns;

- 1083 (B) year-to-date profit and loss statements; and  
1084 (C) documentation of the owner's draw or distributions; and  
1085 (iii) for households awaiting completion of tax filings for the year immediately  
1086 preceding the current year, the program manager shall accept the following  
1087 documentation for conditional approval and only until such a time as the current  
1088 tax year returns, year-to-date profit and loss statements, or documentation of  
1089 owner's draw or distributions are provided for the current tax year:  
1090 (A) the most recent W-2s;  
1091 (B) a current pay stub showing year-to-date earnings; and  
1092 (C) an employer verification letter.
- 1093 (7)(a) Subject to Subsections (7)(b) through (e), a parent may use a scholarship account  
1094 to pay for a scholarship expense from a qualifying provider that a parent or  
1095 scholarship student incurs in the education of the scholarship student.
- 1096 (b) A scholarship student or the scholarship student's parent may not use a scholarship  
1097 account for an expense that the student or parent does not incur in the education of  
1098 the scholarship student, including:  
1099 (i) a rehabilitation program that is not primarily designed for an educational purpose;  
1100 or  
1101 (ii) a travel expense other than a transportation expense described in Section  
1102 53F-6-401.
- 1103 (c) The program manager or financial administrator may not:  
1104 (i) approve a scholarship expense for a service that a qualifying provider provides  
1105 unless the program manager determines that the scholarship student or the  
1106 scholarship student's parent incurred the scholarship expense in the education of  
1107 the scholarship student; or  
1108 (ii) reimburse an expense for a service or good that a provider that is not a qualifying  
1109 provider provides unless:  
1110 (A) the parent or scholarship student submits a receipt that shows the cost and  
1111 type of service or good and the name of provider;  
1112 (B) the expense would have qualified as a scholarship expense if a qualifying  
1113 provider provided the good or service;  
1114 (C) the provider of the good or service is not the parent of the student who is a  
1115 home-based scholarship student solely in relation to the parent's child;  
1116 (D) the program manager determines that the parent or scholarship student

1117 incurred the expense in the education of the scholarship student; and  
1118 (E) the program manager or financial administrator determines that the parent or  
1119 scholarship student incurred the expense when the student was not enrolled in a  
1120 public school[-] .

1121 (d) The parent of a scholarship student may not receive scholarship funds as payment for  
1122 the parent's time spent educating the parent's child.

1123 (e) Except for cases in which a scholarship student or the scholarship student's parent is  
1124 convicted of fraud in relation to scholarship funds, if a qualifying provider,  
1125 scholarship student, or scholarship student's parent repays an expenditure from a  
1126 scholarship account for an expense that is not approved under this Subsection (7), the  
1127 program manager shall credit the repaid amount back to the scholarship account  
1128 balance within 30 days after the day on which the program manager receives the  
1129 repayment.

1130 (8) Beginning the 2026-2027 school year, for private schools that meet the definition in  
1131 Section 53F-6-401 but choose not to become approved eligible schools under Section  
1132 53F-6-408, parents may seek up to monthly tuition reimbursement through the  
1133 scholarship account reimbursement process for tuition expenses.

1134 ~~[(8)]~~ (9) Notwithstanding any other provision of law, funds that the program manager or  
1135 financial administrator disburses from the Utah Fits All Scholarship Program Restricted  
1136 Account created in Section 53F-6-411 under this part to a scholarship account on behalf  
1137 of a scholarship student do not constitute state taxable income to the parent of the  
1138 scholarship student.

1139 ~~[(9)]~~ (10) The program manager shall prepare and disseminate information on the program  
1140 to a parent applying for a scholarship account on behalf of a student, including the  
1141 information that the program manager provides in accordance with Section 53F-6-405.

1142 ~~[(10)]~~ (11) As frequently as necessary to maintain the information, the state board shall  
1143 provide information on the state board's website, including:

1144 (a) scholarship account information;

1145 (b) information on the program manager or financial administrator, including the  
1146 program manager's or financial administrator's contact information; and

1147 (c) an overview of the program.

1148 ~~[(11)]~~ (12) In accordance with required program administration, the program manager shall:

1149 (a) in alignment with deadlines specified in Subsection 53F-6-405(1)(c), establish and  
1150 communicate to an eligible student a deadline by which the eligible student must

- 1151 accept or deny the scholarship offer; and
- 1152 (b) communicate to an eligible student that failure to respond by the deadline described
- 1153 in Subsection [~~(11)~~(a)] (12)(a) shall result in forfeiture of the scholarship offer.
- 1154 [~~(12)~~] (13) In accordance with Subsection 53F-6-403(7), the program manager shall:
- 1155 (a) verify student eligibility status before removing any student from scholarship
- 1156 eligibility;
- 1157 (b) establish protocols for reviewing disputed eligibility determinations;
- 1158 (c) implement a process for immediate reinstatement of eligibility when errors are
- 1159 identified;
- 1160 (d) maintain detailed records of all eligibility removals and reinstatements; and
- 1161 (e) provide regular reports to the state board regarding eligibility status changes of a
- 1162 scholarship student.
- 1163 (14) When multiple children from the same household apply for scholarships, the program
- 1164 manager shall:
- 1165 (a) process applications from the same household together;
- 1166 (b) approve or deny all children in the household as a unit based on the household's
- 1167 priority tier; and
- 1168 (c) if insufficient scholarship funds remain to award scholarships to all children in a
- 1169 household applying as a unit:
- 1170 (i) notify the household of the number of scholarships available;
- 1171 (ii) allow the household to choose to:
- 1172 (A) accept scholarships for the number of children for which funds are available,
- 1173 with the household determining which children receive scholarships; or
- 1174 (B) decline the partial award and remain on the waitlist for a future opportunity
- 1175 when sufficient funds become available to serve all children in the household;
- 1176 (iii) provide the household at least five business days to make the decision described
- 1177 in Subsection (14)(c)(ii);
- 1178 (iv) process the household's decision in accordance with the deadlines established in
- 1179 Subsection 53F-6-402(12); and
- 1180 (v) if the household accepts a partial award, place any remaining children from the
- 1181 household on the waitlist in accordance with the children's original priority tier.
- 1182 (15) Beginning the 2026-2027 school year:
- 1183 (a) a parent may pay tuition directly to a private school that meets the definition in
- 1184 Section 53F-6-401 but has not been approved as an eligible school under Section

- 1185           53F-6-408;
- 1186           (b) the parent may seek monthly reimbursement from the scholarship account for tuition
- 1187           paid to such a school by submitting:
- 1188           (i) a receipt or invoice from the private school showing the amount paid, student
- 1189           name, and services provided;
- 1190           (ii) evidence that the school meets the definition of a private school in Section
- 1191           53F-6-401;
- 1192           (iii) proof of the student's enrollment in the private school, which may include the
- 1193           following:
- 1194           (A) an enrollment agreement or contract;
- 1195           (B) an acceptance letter from the school;
- 1196           (C) written verification from the school on school letterhead or via school email;
- 1197           (D) a receipt or invoice showing the student's name and tuition charges; or
- 1198           (E) a copy of the record demonstrating participation as determined by the school;
- 1199           and
- 1200           (iv) for monthly reimbursement requests after the initial reimbursement, proof of the
- 1201           student's continued enrollment in the private school, which may include
- 1202           documentation of tuition payments for the current period.
- 1203           (c) The program manager shall process reimbursement requests under this subsection
- 1204           within 10 business days of receiving complete documentation.
- 1205           (d) Reimbursements under this subsection are subject to the annual scholarship limits in
- 1206           Subsection (2)(c).
- 1207           (e) A private school receiving tuition payments under this subsection is not required to:
- 1208           (i) submit an application to become an eligible school;
- 1209           (ii) meet the requirements of Section 53F-6-408; or
- 1210           (iii) enter into any agreement with the program manager or financial administrator.
- 1211           Section 10. Section **53F-6-405** is amended to read:
- 1212           **53F-6-405 (Effective 05/06/26). Program manager duties -- Audit -- Prohibitions.**
- 1213           (1) The program manager shall:
- 1214           (a) administer the program, including:
- 1215           (i) maintaining an application website that includes information on enrollment,
- 1216           relevant application dates, and dates for notification of acceptance;
- 1217           (ii) reviewing applications from and determining if a person is:
- 1218           (A) an eligible school under Section 53F-6-408; or

- 1219 (B) an eligible service provider under Section 53F-6-409;
- 1220 (iii) establishing an application process that:
- 1221 (A) opens March 1 of each year for existing scholarship students;
- 1222 (B) opens April 1 of each year for new scholarship students;
- 1223 (C) closes May 1 of each year;
- 1224 (D) aligns with the acceptance deadline established under Subsection
- 1225 53F-6-402(11) that shall be prior to July 1 of each year; and
- 1226 (E) provides an eligible student with a decision regarding the eligible student's
- 1227 application within 30 days of the application deadline specified in this
- 1228 Subsection (1)(a);
- 1229 (iv) reviewing and granting or denying applications for a scholarship account;
- 1230 (v) determining the eligibility of scholarship expenses, including establishing
- 1231 necessary policies and procedures;
- 1232 (vi) approving qualifying providers in accordance with Section 53F-6-403;[~~and~~]
- 1233 (vii) maintaining a list of approved qualifying providers; and
- 1234 (viii) coordinating with the Department of Operations on policy interpretations,
- 1235 compliance issues, and customer service standards;
- 1236 (b) direct the financial administrator to:
- 1237 (i) provide an online portal for the parent of a scholarship student to access the
- 1238 scholarship student's account;
- 1239 (ii) facilitate payments to a qualifying provider from the online portal;
- 1240 (iii) ensure that scholarship funds in a scholarship account are readily available to a
- 1241 scholarship student within five business days after receipt of funds from the state
- 1242 board;
- 1243 (iv) process scholarship payments in accordance with the payment schedule
- 1244 established in Section 53F-6-411, unless otherwise authorized;
- 1245 (v) in accordance with program administration when needed, develop and implement
- 1246 a commercially viable, cost-effective, and parent-friendly system that:
- 1247 (A) processes scholarship payments;
- 1248 (B) maximizes payment flexibility;
- 1249 (C) allows scholarship students and scholarship student's parents to publicly rate,
- 1250 review, and share information about qualifying providers; and
- 1251 (D) provides the program manager with continuous, real-time, view-only access to
- 1252 all scholarship account transactions and balances, payment processing status,

- 1253 provider payment history, reimbursement tracking, and account reconciliation  
1254 data;
- 1255 (vi) upon receiving notification under Subsection (1)(c):
- 1256 (A) obtain reimbursement of scholarship funds from a qualifying provider that  
1257 provides the services in which a scholarship student is no longer enrolled or  
1258 with which the scholarship student is no longer engaged; and
- 1259 (B) expend all revenue from interest on scholarship funds or investments on  
1260 scholarship expenses; and
- 1261 (vii) implement accounting procedures to track partial payments and remaining  
1262 balances;
- 1263 (c) require a parent to notify the program manager if the parent's scholarship student is  
1264 no longer enrolled in or engaging a service:
- 1265 (i) for which the scholarship student receives scholarship funds; and  
1266 (ii) that is provided to the scholarship student for an entire school year;
- 1267 (d) each time the program manager makes an administrative decision that is adverse to a  
1268 scholarship student or the scholarship student's parent, inform the scholarship student  
1269 and the scholarship student's parent of the opportunity and process to appeal an  
1270 administrative decision of the program manager in accordance with the process  
1271 described in Section 53F-6-417;
- 1272 (e) maintain a protected internal waitlist of all eligible students who have applied to the  
1273 program and are not yet scholarship students, including any student who removed the  
1274 student's application from the waitlist;
- 1275 (f) provide aggregate data regarding the number of scholarship students and the number  
1276 of eligible students on the waitlist described in Subsection (1)(e);
- 1277 (g) contract for annual and random audits on scholarship accounts conducted:
- 1278 (i) by a certified public accountant who is independent from:
- 1279 (A) the program manager; and  
1280 (B) the financial administrator's accounts and records pertaining to scholarship  
1281 funds; and
- 1282 (ii) in accordance with generally accepted auditing standards;
- 1283 (h) require the financial administrator to demonstrate financial accountability through  
1284 annual reporting requirements described in Section 53F-6-405.5;
- 1285 (i) develop and implement an annual orientation for qualifying providers;
- 1286 (j) administer the appeals process described in Section 53F-6-417;

- 1287 (k) in accordance with Subsection 53F-6-411(4), manage scholarship rollovers;
- 1288 (l) track and ensure compliance of allowed scholarship expenses;[-and]
- 1289 (m) comply with enhanced accountability measures, including independent audits and
- 1290 public disclosure of third-party contracts and fees related to the administration of the
- 1291 program[-] ; and
- 1292 (n) process parent reimbursement requests within 10 business days after the program
- 1293 manager approves the expense and direct the financial administrator to process
- 1294 approved reimbursements within this time frame.
- 1295 (2) The program manager shall:
- 1296 (a) require the financial administrator to submit monthly financial reports including:
- 1297 (i) a statement of financial position;
- 1298 (ii) a statement of activities;
- 1299 (iii) account reconciliation statements;
- 1300 (iv) detailed transaction reports; and
- 1301 (v) exception reports highlighting any unusual activity; and
- 1302 (b) oversee the financial administrator's compliance with requirements regarding:
- 1303 (i) except for a reimbursement authorized under this part, the use of scholarship funds
- 1304 from the online portal directly to a qualifying provider to pay for scholarship
- 1305 expenses without the availability of withdrawal or other direct access to
- 1306 scholarship funds by an individual; and
- 1307 (ii) system compliance with industry standards for data privacy and cybersecurity,
- 1308 including ensuring compliance with the Family Educational Rights and Privacy
- 1309 Act, 34 C.F.R. Part 99.
- 1310 (3) In advance of the program manager accepting applications in accordance with Section
- 1311 53F-6-402 and as regularly as information develops, the program manager shall provide
- 1312 information regarding the program by publishing a program handbook online for
- 1313 scholarship applicants, scholarship students, parents, service providers seeking to
- 1314 become qualifying providers, and qualifying providers, that includes information
- 1315 regarding:
- 1316 (a) the policies and processes of the program;
- 1317 (b) approved scholarship expenses and qualifying providers;
- 1318 (c) the responsibilities of parents regarding the program and scholarship funds;
- 1319 (d) the duties of each contracted entity; and
- 1320 (e) the opportunity and process to appeal an administrative decision of the program

- 1321 manager in accordance with the process described in Section 53F-6-417.
- 1322 (4) To ensure the fiscal security and compliance of the program, the program manager shall:
- 1323 (a) prohibit any person from handling, managing, or processing scholarship funds, if, the
- 1324 person poses a risk to the appropriate use of scholarship funds, as determined by
- 1325 background checks the program manager conducted in accordance with Section
- 1326 53F-6-407;
- 1327 (b) establish procedures to ensure a fair process to:
- 1328 (i) suspend scholarship student's eligibility for the program in the event of the
- 1329 scholarship student's or scholarship student's parent's:
- 1330 (A) intentional or substantial misuse of scholarship funds; or
- 1331 (B) violation of this part or the terms of the program; and
- 1332 (ii) if the program manager or financial administrator obtains evidence of fraudulent
- 1333 use of scholarship funds, refer the case to the attorney general for collection or
- 1334 criminal investigation; and
- 1335 (iii) ensure that a scholarship student whose eligibility is suspended or disqualified
- 1336 under this Subsection (4)(b) or Subsection (4)(c) based on the actions of the
- 1337 student's parent regains eligibility if the student is placed with a different parent or
- 1338 otherwise no longer resides with the parent related to the suspension or
- 1339 disqualification; and
- 1340 (c) notify the financial administrator, scholarship student, and scholarship student's
- 1341 parent in writing:
- 1342 (i) of the suspension described in Subsection (4)(b)(i);
- 1343 (ii) that no further transactions, disbursements, or reimbursements are allowed;
- 1344 (iii) that the scholarship student or scholarship student's parent may take corrective
- 1345 action within 10 business days of the day on which the program manager provides
- 1346 the notification; and
- 1347 (iv) that without taking the corrective action within the time period described in
- 1348 Subsection (4)(c)(iii), the program manager may disqualify the student's eligibility.
- 1349 (5)(a) A program manager may not direct the financial administrator to:
- 1350 (i) disburse scholarship funds to a qualifying provider or allow a qualifying provider
- 1351 to use scholarship funds if:
- 1352 (A) the program manager determines that the qualifying provider intentionally or
- 1353 substantially misrepresented information on overpayment;
- 1354 (B) the qualifying provider fails to refund an overpayment in a timely manner; or

- 1355 (C) the qualifying provider routinely fails to provide scholarship students with  
1356 promised educational services; or
- 1357 (ii) reimburse with scholarship funds an individual for the purchase of a good or  
1358 service if the program manager determines that:
- 1359 (A) the scholarship student or the scholarship student's parent requesting  
1360 reimbursement intentionally or substantially misrepresented the cost or  
1361 educational purpose of the good or service; or
- 1362 (B) the relevant scholarship student was not the exclusive user of the good or  
1363 service.
- 1364 (b) A program manager shall notify a scholarship student if the program manager:
- 1365 (i) stops disbursement of the scholarship student's scholarship funds to a qualifying  
1366 provider under Subsection (5)(a)(i); or
- 1367 (ii) refuses reimbursement under Subsection (5)(a)(ii).
- 1368 (6)(a) At any time, a scholarship student may change the qualifying provider to which  
1369 the scholarship student's scholarship account makes distributions.
- 1370 (b) If, during the school year, a scholarship student changes the student's enrollment in  
1371 or engagement with a qualifying provider to another qualifying provider, the program  
1372 manager may direct the financial administrator to prorate scholarship funds between  
1373 the qualifying providers based on the time the scholarship student received the goods  
1374 or services or was enrolled.
- 1375 (7) A program manager may not subvert the enrollment preferences required under Section  
1376 53F-6-402 or other provisions of this part to establish a scholarship account on behalf of  
1377 a relative of a contracted entity employee or contracted employee officer.
- 1378 (8) In regards to customer service needs related to the program, the program manager shall:
- 1379 (a) provide customer service regarding:
- 1380 (i) program eligibility determinations;
- 1381 (ii) application status;
- 1382 (iii) qualifying provider approvals;
- 1383 (iv) scholarship expense eligibility;
- 1384 (v) program policies and requirements;
- 1385 (vi) appeals and grievances;
- 1386 (vii) accessibility for disabled individuals; and
- 1387 (viii) general program information;
- 1388 (b) ensure the financial administrator provides customer service regarding:

- 1389 (i) scholarship account access;
- 1390 (ii) payment processing status;
- 1391 (iii) technical support for the payment portal;
- 1392 (iv) account balance inquiries;
- 1393 (v) transaction history; and
- 1394 (vi) reimbursement status;
- 1395 (c) establish customer service standards that the program manager and the financial
- 1396 administrator must meet;
- 1397 (d) require the financial administrator to:
- 1398 (i) maintain adequate customer service staffing;
- 1399 (ii) meet specified response time requirements; and
- 1400 (iii) track and report on customer service metrics; [~~and~~]
- 1401 (e) coordinate with the financial administrator to ensure seamless referral of inquiries
- 1402 between contracted entities[~~;~~];
- 1403 (f) maintain call center capacity adequate to serve current program participation levels,
- 1404 including:
- 1405 (i) sufficient staffing to handle call volume during standard and peak enrollment
- 1406 periods;
- 1407 (ii) scalability plans to increase customer service capacity as program enrollment
- 1408 grows; and
- 1409 (iii) regular capacity assessments to ensure staffing and infrastructure meet program
- 1410 demands; and
- 1411 (g) continue improvement of customer service based on parent feedback.
- 1412 (9) Contracted entities may not charge processing fees to an eligible student or pass on
- 1413 third-party fees related to the use or management of scholarship funds.
- 1414 (10) The program manager shall establish and maintain a pre-approval process for
- 1415 scholarship expenses that:
- 1416 (a) allows parents to submit expense requests for review before incurring the expense;
- 1417 (b) provides a response within seven business days indicating whether:
- 1418 (i) the expense is approved as an allowable scholarship expense;
- 1419 (ii) the expense requires additional information or documentation; or
- 1420 (iii) the expense is not an allowable scholarship expense, with a clear explanation of
- 1421 the reason for denial;
- 1422 (c) is accessible through the online portal, email, and telephone; and

- 1423 (d) maintains documentation of all pre-approval requests and decisions.
- 1424 (11) If the program manager operates a marketplace for educational products or services:
- 1425 (a) prices shall reflect fair market value;
- 1426 (b) parents may purchase substantially similar items elsewhere and seek reimbursement;
- 1427 (c) the program manager may not require exclusive marketplace purchases;
- 1428 (d) the program manager may not resell used or returned goods through the marketplace;
- 1429 and
- 1430 (e) nothing in this subsection prohibits parents from purchasing used or resale
- 1431 educational materials, supplies, or equipment from third parties and seeking
- 1432 reimbursement through the scholarship account reimbursement process in accordance
- 1433 with this part.

1434 Section 11. Section **53F-6-406** is amended to read:

1435 **53F-6-406 (Effective 05/06/26). Qualifying provider regulatory autonomy --**

1436 **Home school autonomy -- Student records -- Scholarship student status.**

1437 (1) Nothing in this part:

- 1438 (a) except as expressly described in this part, grants additional authority to any state
- 1439 agency or LEA to regulate or control:
- 1440 (i) a private school, qualifying provider, or home school;
- 1441 (ii) students receiving education from a private school, qualifying provider, or home
- 1442 school;
- 1443 (b) applies to or otherwise affects the freedom of choice of a home school student,
- 1444 including the curriculum, resources, developmental planning, or any other aspect of
- 1445 the home school student's education; or
- 1446 (c) except as expressly provided in Section 53F-6-408 regarding LEA providers,
- 1447 expands the regulatory authority of the state, a state office holder, or an LEA to
- 1448 impose any additional regulation of a qualifying provider beyond any regulation
- 1449 necessary to administer this part.

1450 (2) A qualifying provider:

- 1451 (a) has a right to maximum freedom from unlawful governmental control in providing
- 1452 for the educational needs of a scholarship student who attends or engages with the
- 1453 qualifying provider; and
- 1454 (b) is not an agent of the state by virtue of the provider's acceptance of payment from a
- 1455 scholarship account in accordance with this part.

1456 (3) Except as provided in Section 53F-6-403 regarding qualifying providers, Section

1457 53F-6-408 regarding eligible schools, or Section 53F-6-409 regarding eligible service  
 1458 providers, a program manager may not require a qualifying provider to alter the  
 1459 qualifying provider's creed, practices, admissions policies, hiring practices, or curricula  
 1460 in order to accept scholarship funds.

1461 (4) An LEA or a school in an LEA in which a scholarship student was previously enrolled  
 1462 shall provide to the scholarship student's parent a copy of all school records relating to  
 1463 the student that the LEA possesses within 30 days after the day on which the LEA or  
 1464 school receives the parent's request for the student's records, subject to:

1465 (a) Title 53E, Chapter 9, Student Privacy and Data Protection; and

1466 (b) Family Educational Rights and Privacy Act, 20 U.S.C. Sec. 1232g.

1468 (5) By virtue of a scholarship student's involvement in the program and unless otherwise  
 1469 expressly provided in statute, a scholarship student is not:

1470 (a) enrolled in the public education system; or

1471 (b) otherwise subject to statute, administrative rules, or other state regulations as if the  
 1472 student was enrolled in the public education system.

1473 (6)(a) A scholarship student may participate in public school athletics and

1474 extracurricular activities in the same manner as a home school student or private  
 1475 school student under Section 53G-6-702.

1476 (b) An LEA may not:

1477 (i) deny a scholarship student the opportunity to participate in athletics or

1478 extracurricular activities based solely on the student's scholarship status; or

1479 (ii) impose requirements on scholarship students for athletic or extracurricular

1480 participation that are more restrictive than those imposed on home school students  
 1481 or private school students.

1482 Section 12. Section **53F-6-408** is amended to read:

1483 **53F-6-408 (Effective 05/06/26). Eligible schools.**

1484 (1) To be eligible to receive scholarship funds on behalf of a scholarship student as an  
 1485 eligible school, a private school with 150 or more enrolled students shall:

1486 [~~(a)(i) contract with an independent licensed certified public accountant to conduct~~  
 1487 ~~an agreed upon procedures engagement as the state board adopts, or obtain an~~  
 1488 ~~audit and report that:]~~

1489 [~~(A) a licensed independent certified public accountant conducts in accordance~~  
 1490 ~~with generally accepted auditing standards;]~~

1491 [~~(B) presents the financial statements in accordance with generally accepted~~

- 1492                    accounting principles; and]
- 1493                    [~~(C)~~ audits financial statements from within the 12 months immediately preceding
- 1494                    the audit; and]
- 1495                    [(ii) submit the audit report or report of the agreed upon procedure to the program
- 1496                    manager when the private school applies to receive scholarship funds;]
- 1497                    (a) submit to the program manager verification that the private school has obtained:
- 1498                    (i) an agreed upon procedures engagement conducted by an independent licensed
- 1499                    certified public accountant that addresses financial solvency and working capital
- 1500                    adequacy; or
- 1501                    (ii) an audit conducted by an independent licensed certified public accountant in
- 1502                    accordance with generally accepted auditing standards that presents financial
- 1503                    statements in accordance with generally accepted accounting principles;
- 1504                    (b) provide to the program manager and financial administrator:
- 1505                    (i) a federal employer identification number;
- 1506                    (ii) the provider's address and contact information;
- 1507                    (iii) a description of each program or service the provider proposes to offer a
- 1508                    scholarship student; and
- 1509                    (iv) any other information as required by the program manager or financial
- 1510                    administrator.
- 1511                    [~~(b)~~] (c) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d;
- 1512                    [~~(e)~~] (d) provide a written disclosure to the parent of each prospective scholarship
- 1513                    student, before the student is enrolled, of:
- 1514                    (i) the education services that the school will provide to the scholarship student,
- 1515                    including the cost of the provided services;
- 1516                    (ii) tuition costs;
- 1517                    (iii) additional fees the school will require a parent to pay during the school year; [~~and~~]
- 1518                    (iv) the skill or grade level of the curriculum in which the prospective scholarship
- 1519                    student will participate; [~~and~~]
- 1520                    (v) beginning the 2026-2027 school year, a clear statement that if a scholarship
- 1521                    student withdraws and the school's refund policy provides for a tuition refund, the
- 1522                    school shall remit any refund directly to the program manager for deposit back
- 1523                    into the student's scholarship account in accordance with the school's standard
- 1524                    refund policies; and
- 1525                    (vi) beginning the 2026-2027 school year, a statement that the school's published

1526 tuition costs, fees, and refund policies are identical for scholarship students and  
 1527 regularly enrolled students, and that scholarship students will not be charged  
 1528 different amounts or subject to different refund terms than other students enrolled  
 1529 in the same programs;

1530 ~~[(d)]~~ (e) require the following individuals to submit to a nationwide, fingerprint-based  
 1531 criminal background check and ongoing monitoring, in accordance with Section  
 1532 53G-11-402, as a condition for employment or appointment, as authorized by the  
 1533 Adam Walsh Child Protection and Safety Act of 2006, Pub. L. No. 109-248:

1534 (i) an employee who does not hold:

1535 (A) a current Utah educator license issued by the state board under Title 53E,  
 1536 Chapter 6, Education Professional Licensure; or

1537 (B) if the private school is not physically located in Utah, a current educator  
 1538 license in the state where the private school is physically located; and

1539 (ii) a contract employee[-];

1540 (f) beginning the 2026-2027 school year, maintain and operate a functioning website  
 1541 that includes:

1542 (i) clearly posted tuition costs;

1543 (ii) all additional fees required during the school year;

1544 (iii) the school's refund and reimbursement policies in an easily accessible location;

1545 (iv) contact information for the school's administration; and

1546 (v) the school's physical address;

1547 (g) beginning the 2026-2027 school year, report to the program manager within five  
 1548 business days when a scholarship student withdraws from the school during the  
 1549 school year; and

1550 (h) beginning the 2026-2027 school year, ensure that all tuition charges, fees, and refund  
 1551 policies applied to scholarship students are identical to those applied to regularly  
 1552 enrolled students in the same programs or grade levels.

1553 (2)(a) The program manager shall ensure that:

1554 (i) the verification required under Subsection (1)(a)(i):

1555 (A) is from an audit or agreed upon procedures engagement completed within the  
 1556 12 months immediately preceding the private school's application to receive  
 1557 scholarship funds;

1558 (B) confirms that the audit or agreed upon procedures engagement found the  
 1559 private school to be financially solvent with adequate working capital to

- 1560 maintain operations; and
- 1561 (C) does not include the underlying audit report or detailed financial information.
- 1562 (b) The program manager:
- 1563 (i) may only verify that the required audit or agreed upon procedures engagement
- 1564 was completed and found general financial solvency;
- 1565 (ii) may not conduct, commission, or be involved in the audit or agreed upon
- 1566 procedures engagement; and
- 1567 (iii) may not review detailed financial records of the private school beyond the
- 1568 verification described in Subsection (2)(a)(i).
- 1569 [~~2~~] (3) A private school described in Subsection (1) is not eligible to receive scholarship
- 1570 funds if:
- 1571 (a) the private school requires a scholarship student to sign a contract waiving the
- 1572 scholarship student's right to transfer to another qualifying provider during the school
- 1573 year;
- 1574 (b) the verification required under Subsection (1)(a) indicates that the audit report
- 1575 contains a going concern explanatory paragraph; or
- 1576 (c) the verification required under Subsection (1)(a) indicates that the report of the
- 1577 agreed upon procedures shows that the private school does not have adequate
- 1578 working capital to maintain operations for the first full year.
- 1579 [~~(b) the audit report described in Subsection (1)(a) contains a going concern explanatory~~
- 1580 ~~paragraph; or]~~
- 1581 [~~(e) the report of the agreed upon procedures described in Subsection (1)(a) shows that~~
- 1582 ~~the private school does not have adequate working capital to maintain operations for~~
- 1583 ~~the first full year.]~~
- 1584 [~~3~~] (4) To be eligible to receive scholarship funds on behalf of a scholarship student as an
- 1585 eligible school, a private school with fewer than 150 enrolled students shall:
- 1586 (a) provide to the program manager and financial administrator:
- 1587 (i) a federal employer identification number;
- 1588 (ii) the provider's address and contact information;
- 1589 (iii) a description of each program or service the provider proposes to offer a
- 1590 scholarship student; and
- 1591 (iv) any other information as required by the program manager or financial
- 1592 administrator; [~~and]~~
- 1593 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d[-];

- 1594 (c) beginning the 2026-2027 school year, maintain and operate a functioning website  
1595 that includes:  
1596 (i) clearly posted tuition costs;  
1597 (ii) all additional fees required during the school year;  
1598 (iii) the school's refund and reimbursement policies in an easily accessible location;  
1599 (iv) contact information for the school's administration; and  
1600 (v) the school's address;
- 1601 (d) provide a written disclosure to the parent of each prospective scholarship student,  
1602 before the student is enrolled, that includes:  
1603 (i) tuition costs;  
1604 (ii) additional fees required during the school year; and  
1605 (iii) a clear statement that if a scholarship student withdraws and the school's refund  
1606 policy provides for a tuition refund, the school shall remit any refund directly to  
1607 the program manager for deposit back into the student's scholarship account in  
1608 accordance with the school's standard refund policies;
- 1609 (e) beginning the 2026-2027 school year, a statement that the school's published tuition  
1610 costs, fees, and refund policies are identical for scholarship students and regularly  
1611 enrolled students; and
- 1612 (f) beginning the 2026-2027 school year, report to the program manager within five  
1613 business days when a scholarship student withdraws from the school during the  
1614 school year.
- 1615 [~~4~~] (5) A private school described in Subsection [~~3~~] (4) is not eligible to receive  
1616 scholarship funds if the private school requires a scholarship student to sign a contract  
1617 waiving the student's rights to transfer to another qualifying provider during the school  
1618 year.
- 1619 [~~5~~] (6) To be eligible to receive scholarship funds on behalf of a scholarship student as an  
1620 eligible school, an LEA shall:
- 1621 (a) provide to the program manager and financial administrator:  
1622 (i) a federal employer identification number;  
1623 (ii) the LEA's address and contact information; and  
1624 (iii) the amount to be charged under the program, in correlation with the LEA's  
1625 course and activity fee schedules, and a description of a class, program, or service  
1626 the LEA provides to a scholarship student;
- 1627 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d; and

- 1628 (c) ensure the provision of services to a scholarship student through which:
- 1629 (i) the scholarship student does not enroll in the LEA; and
- 1630 (ii) in accordance with Subsection 53F-2-302(2), the LEA does not receive WPU
- 1631 funding related to the student's participation with the LEA;
- 1632 (d) treat a scholarship student the same as the LEA would treat an enrolled student,
- 1633 including in:
- 1634 (i) participation allowances;
- 1635 (ii) audition rules;
- 1636 (iii) athletic team participation;
- 1637 (iv) extracurricular activities; and
- 1638 (v) co-curricular activities;
- 1639 (e) not deny a scholarship student participation in any activity, team, or program simply
- 1640 because:
- 1641 (i) the student is a scholarship student; or
- 1642 (ii) of liability concerns specific to the student's scholarship status;
- 1643 (f) establish a transparent and fair fee structure for scholarship expenses offered by the
- 1644 LEA, including a fee schedule that:
- 1645 (i) is based on actual costs of providing services;
- 1646 (ii) is consistent with fees charged to enrolled students;
- 1647 (iii) itemizes all charges and fees;
- 1648 (iv) explains the basis for each fee; and
- 1649 (v) is updated annually;
- 1650 (g) provide the same liability coverage to scholarship students as provided to enrolled
- 1651 students; and
- 1652 (h) in accordance with Subsection 53F-6-402(7), create and maintain a distinct identifier
- 1653 in the LEA's student information system that:
- 1654 (i) clearly identifies a scholarship student; and
- 1655 (ii) distinguishes the scholarship student from a student enrolled in the LEA.
- 1656 ~~[(6)]~~ (7) An LEA described in Subsection ~~[(5)]~~ (6) is not eligible to receive scholarship funds
- 1657 if:
- 1658 (a) the LEA requires a public education system scholarship student to sign a contract
- 1659 waiving the student's rights to engage with another qualifying provider for a
- 1660 scholarship expense during the school year; or
- 1661 (b) the LEA refuses to offer services that do not require LEA enrollment to scholarship

1662 students under the program.

1663 [~~(7)~~] (8) Residential treatment facilities licensed by the state are not eligible to receive  
1664 scholarship funds.

1665 [~~(8)~~] (9) A private school or LEA intending to receive scholarship funds shall:

- 1666 (a)(i) for a private school, submit an application to the program manager; or  
1667 (ii) for an LEA, submit a notice to the program manager containing the information  
1668 described in Subsection [~~(5)(a)~~] (6)(a); and  
1669 (b) agree to not refund, rebate, or share scholarship funds with scholarship students or  
1670 scholarship student's parents in any manner except remittances or refunds processed  
1671 through the financial administrator to a scholarship account in accordance with this  
1672 part and procedures that the program manager establishes, and the payment schedule  
1673 described in Section 53F-6-411.

1674 [~~(9)~~] (10) The program manager shall:

- 1675 (a) if the private school or LEA meets the eligibility requirements of this section,  
1676 recognize the private school or LEA as an eligible school and, for a private school,  
1677 approve the application; and  
1678 (b) make available to the public a list of eligible schools approved under this section.

1679 [~~(10)~~] (11) A private school approved under this section that changes ownership shall:

- 1680 (a) cease operation as an eligible school until:  
1681 (i) the school submits a new application to the program manager; and  
1682 (ii) the program manager approves the new application; and  
1683 (b) demonstrate that the private school continues to meet the eligibility requirements of  
1684 this section.

1685 [~~(11)~~] (12) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
1686 the state board shall establish rules for an LEA to create and publish fee structures for  
1687 scholarship students.

1688 Section 13. Section **59-1-403** is amended to read:

1689 **59-1-403 (Effective 05/06/26) (Applies beginning 01/01/26) (Partially Repealed 07/01/29).**

1690 **Confidentiality -- Exceptions -- Penalty -- Application to property tax.**

1691 (1) As used in this section:

- 1692 (a) "Distributed tax, fee, or charge" means a tax, fee, or charge:  
1693 (i) the commission administers under:  
1694 (A) this title, other than a tax under Chapter 12, Part 2, Local Sales and Use Tax  
1695 Act;

- 1696 (B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
- 1697 (C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
- 1698 (D) Section 19-6-805;
- 1699 (E) Section 63H-1-205; or
- 1700 (F) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service
- 1701 Charges; and
- 1702 (ii) with respect to which the commission distributes the revenue collected from the
- 1703 tax, fee, or charge to a qualifying jurisdiction.
- 1704 (b) "GOEO" means the Governor's Office of Economic Opportunity created in Section
- 1705 63N-1a-301.
- 1706 (c) "Qualifying jurisdiction" means:
- 1707 (i) a county, city, or town;
- 1708 (ii) the military installation development authority created in Section 63H-1-201;
- 1709 (iii) the Utah Inland Port Authority created in Section 11-58-201; or
- 1710 (iv) the Utah Fairpark Area Investment and Restoration District created in Section
- 1711 11-70-201.
- 1712 (2)(a) Any of the following may not divulge or make known in any manner any
- 1713 information gained by that person from any return filed with the commission:
- 1714 (i) a tax commissioner;
- 1715 (ii) an agent, clerk, or other officer or employee of the commission; or
- 1716 (iii) a representative, agent, clerk, or other officer or employee of any county, city, or
- 1717 town.
- 1718 (b) An official charged with the custody of a return filed with the commission is not
- 1719 required to produce the return or evidence of anything contained in the return in any
- 1720 action or proceeding in any court, except:
- 1721 (i) in accordance with judicial order;
- 1722 (ii) on behalf of the commission in any action or proceeding under:
- 1723 (A) this title; or
- 1724 (B) other law under which persons are required to file returns with the
- 1725 commission;
- 1726 (iii) on behalf of the commission in any action or proceeding to which the
- 1727 commission is a party; or
- 1728 (iv) on behalf of any party to any action or proceeding under this title if the report or
- 1729 facts shown by the return are directly involved in the action or proceeding.

- 1730 (c) Notwithstanding Subsection (2)(b), a court may require the production of, and may  
1731 admit in evidence, any portion of a return or of the facts shown by the return, as are  
1732 specifically pertinent to the action or proceeding.
- 1733 (d) Notwithstanding any other provision of state law, a person described in Subsection  
1734 (2)(a) may not divulge or make known in any manner any information gained by that  
1735 person from any return filed with the commission to the extent that the disclosure is  
1736 prohibited under federal law.
- 1737 (3) This section does not prohibit:
- 1738 (a) a person or that person's duly authorized representative from receiving a copy of any  
1739 return or report filed in connection with that person's own tax;
- 1740 (b) the publication of statistics as long as the statistics are classified to prevent the  
1741 identification of particular reports or returns; and
- 1742 (c) the inspection by the attorney general or other legal representative of the state of the  
1743 report or return of any taxpayer:
- 1744 (i) who brings action to set aside or review a tax based on the report or return;
- 1745 (ii) against whom an action or proceeding is contemplated or has been instituted  
1746 under this title; or
- 1747 (iii) against whom the state has an unsatisfied money judgment.
- 1748 (4)(a) Notwithstanding Subsection (2) and for purposes of administration, the  
1749 commission may by rule, made in accordance with Title 63G, Chapter 3, Utah  
1750 Administrative Rulemaking Act, provide for a reciprocal exchange of information  
1751 with:
- 1752 (i) the United States Internal Revenue Service; or
- 1753 (ii) the revenue service of any other state.
- 1754 (b) Notwithstanding Subsection (2) and for all taxes except individual income tax and  
1755 corporate franchise tax, the commission may by rule, made in accordance with Title  
1756 63G, Chapter 3, Utah Administrative Rulemaking Act, share information gathered  
1757 from returns and other written statements with the federal government, any other  
1758 state, any of the political subdivisions of another state, or any political subdivision of  
1759 this state, except as limited by Sections 59-12-209 and 59-12-210, if the political  
1760 subdivision, other state, or the federal government grant substantially similar  
1761 privileges to this state.
- 1762 (c) Notwithstanding Subsection (2) and for all taxes except individual income tax and  
1763 corporate franchise tax, the commission may by rule, in accordance with Title 63G,

- 1764 Chapter 3, Utah Administrative Rulemaking Act, provide for the issuance of  
1765 information concerning the identity and other information of taxpayers who have  
1766 failed to file tax returns or to pay any tax due.
- 1767 (d) Notwithstanding Subsection (2), the commission shall provide to the director of the  
1768 Division of Environmental Response and Remediation, as defined in Section  
1769 19-6-402, as requested by the director of the Division of Environmental Response  
1770 and Remediation, any records, returns, or other information filed with the  
1771 commission under Chapter 13, Motor and Special Fuel Tax Act, or Section  
1772 19-6-410.5 regarding the environmental assurance program participation fee.
- 1773 (e) Notwithstanding Subsection (2), at the request of any person the commission shall  
1774 provide that person sales and purchase volume data reported to the commission on a  
1775 report, return, or other information filed with the commission under:
- 1776 (i) Chapter 13, Part 2, Motor Fuel; or  
1777 (ii) Chapter 13, Part 4, Aviation Fuel.
- 1778 (f) Notwithstanding Subsection (2), upon request from a tobacco product manufacturer,  
1779 as defined in Section 59-22-202, the commission shall report to the manufacturer:
- 1780 (i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the  
1781 manufacturer and reported to the commission for the previous calendar year under  
1782 Section 59-14-407; and
- 1783 (ii) the quantity of cigarettes, as defined in Section 59-22-202, produced by the  
1784 manufacturer for which a tax refund was granted during the previous calendar  
1785 year under Section 59-14-401 and reported to the commission under Subsection  
1786 59-14-401(1)(a)(v).
- 1787 (g) Notwithstanding Subsection (2), the commission shall notify manufacturers,  
1788 distributors, wholesalers, and retail dealers of a tobacco product manufacturer that is  
1789 prohibited from selling cigarettes to consumers within the state under Subsection  
1790 59-14-210(2).
- 1791 (h) Notwithstanding Subsection (2), the commission may:
- 1792 (i) provide to the Division of Consumer Protection within the Department of  
1793 Commerce and the attorney general data:  
1794 (A) reported to the commission under Section 59-14-212; or  
1795 (B) related to a violation under Section 59-14-211; and
- 1796 (ii) upon request, provide to any person data reported to the commission under  
1797 Subsections 59-14-212(1)(a) through (c) and Subsection 59-14-212(1)(g).

- 1798 (i) Notwithstanding Subsection (2), the commission shall, at the request of a committee  
1799 of the Legislature, the Office of the Legislative Fiscal Analyst, or the Governor's  
1800 Office of Planning and Budget, provide to the committee or office the total amount of  
1801 revenue collected by the commission under Chapter 24, Radioactive Waste Facility  
1802 Tax Act, for the time period specified by the committee or office.
- 1803 (j) Notwithstanding Subsection (2), the commission shall make the directory required by  
1804 Section 59-14-603 available for public inspection.
- 1805 (k) Notwithstanding Subsection (2), the commission may share information with federal,  
1806 state, or local agencies as provided in Subsection 59-14-606(3).
- 1807 (l)(i) Notwithstanding Subsection (2), the commission shall provide the Office of  
1808 Recovery Services within the Department of Health and Human Services any  
1809 relevant information obtained from a return filed under Chapter 10, Individual  
1810 Income Tax Act, regarding a taxpayer who has become obligated to the Office of  
1811 Recovery Services.
- 1812 (ii) The information described in Subsection (4)(l)(i) may be provided by the Office  
1813 of Recovery Services to any other state's child support collection agency involved  
1814 in enforcing that support obligation.
- 1815 (m)(i) Notwithstanding Subsection (2), upon request from the state court  
1816 administrator, the commission shall provide to the state court administrator, the  
1817 name, address, telephone number, county of residence, and social security number  
1818 on resident returns filed under Chapter 10, Individual Income Tax Act.
- 1819 (ii) The state court administrator may use the information described in Subsection  
1820 (4)(m)(i) only as a source list for the master jury list described in Section  
1821 78B-1-106.
- 1822 (n)(i) As used in this Subsection (4)(n):
- 1823 (A) "Income tax information" means information gained by the commission that is  
1824 required to be attached to or included in a return filed with the commission  
1825 under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10,  
1826 Individual Income Tax Act.
- 1827 (B) "Other tax information" means information gained by the commission that is  
1828 required to be attached to or included in a return filed with the commission  
1829 except for a return filed under Chapter 7, Corporate Franchise and Income  
1830 Taxes, or Chapter 10, Individual Income Tax Act.
- 1831 (C) "Tax information" means income tax information or other tax information.

- 1832 (ii)(A) Notwithstanding Subsection (2) and except as provided in Subsection  
1833 (4)(n)(ii)(B) or (C), the commission shall at the request of GOEO provide to  
1834 GOEO all income tax information.
- 1835 (B) For purposes of a request for income tax information made under Subsection  
1836 (4)(n)(ii)(A), GOEO may not request and the commission may not provide to  
1837 GOEO a person's address, name, social security number, or taxpayer  
1838 identification number.
- 1839 (C) In providing income tax information to GOEO, the commission shall in all  
1840 instances protect the privacy of a person as required by Subsection (4)(n)(ii)(B).
- 1841 (iii)(A) Notwithstanding Subsection (2) and except as provided in Subsection  
1842 (4)(n)(iii)(B), the commission shall at the request of GOEO provide to GOEO  
1843 other tax information.
- 1844 (B) Before providing other tax information to GOEO, the commission shall redact  
1845 or remove any name, address, social security number, or taxpayer identification  
1846 number.
- 1847 (iv) GOEO may provide tax information received from the commission in accordance  
1848 with this Subsection (4)(n) only:
- 1849 (A) as a fiscal estimate, fiscal note information, or statistical information; and  
1850 (B) if the tax information is classified to prevent the identification of a particular  
1851 return.
- 1852 (v)(A) A person may not request tax information from GOEO under Title 63G,  
1853 Chapter 2, Government Records Access and Management Act, or this section,  
1854 if GOEO received the tax information from the commission in accordance with  
1855 this Subsection (4)(n).
- 1856 (B) GOEO may not provide to a person that requests tax information in  
1857 accordance with Subsection (4)(n)(v)(A) any tax information other than the tax  
1858 information GOEO provides in accordance with Subsection (4)(n)(iv).
- 1859 (o) Notwithstanding Subsection (2), the commission may provide to the governing board  
1860 of the agreement or a taxing official of another state, the District of Columbia, the  
1861 United States, or a territory of the United States:
- 1862 (i) the following relating to an agreement sales and use tax:
- 1863 (A) information contained in a return filed with the commission;  
1864 (B) information contained in a report filed with the commission;  
1865 (C) a schedule related to Subsection (4)(o)(i)(A) or (B); or

- 1866 (D) a document filed with the commission; or
- 1867 (ii) a report of an audit or investigation made with respect to an agreement sales and
- 1868 use tax.
- 1869 (p) Notwithstanding Subsection (2), the commission may provide information
- 1870 concerning a taxpayer's state income tax return or state income tax withholding
- 1871 information to the Driver License Division if the Driver License Division:
- 1872 (i) requests the information; and
- 1873 (ii) provides the commission with a signed release form from the taxpayer allowing
- 1874 the Driver License Division access to the information.
- 1875 (q) Notwithstanding Subsection (2), the commission shall provide to the Utah
- 1876 Communications Authority, or a division of the Utah Communications Authority, the
- 1877 information requested by the authority under Sections 63H-7a-302, 63H-7a-402, and
- 1878 63H-7a-502.
- 1879 (r) Notwithstanding Subsection (2), the commission shall provide to the Utah
- 1880 Educational Savings Plan information related to a resident or nonresident individual's
- 1881 contribution to a Utah Educational Savings Plan account as designated on the
- 1882 resident or nonresident's individual income tax return as provided under Section
- 1883 59-10-1313.
- 1884 (s) Notwithstanding Subsection (2), for the purpose of verifying eligibility under
- 1885 Sections 26B-3-106 and 26B-3-903, the commission shall provide an eligibility
- 1886 worker with the Department of Health and Human Services or its designee with the
- 1887 adjusted gross income of an individual if:
- 1888 (i) an eligibility worker with the Department of Health and Human Services or its
- 1889 designee requests the information from the commission; and
- 1890 (ii) the eligibility worker has complied with the identity verification and consent
- 1891 provisions of Sections 26B-3-106 and 26B-3-903.
- 1892 (t) Notwithstanding Subsection (2), the commission may provide to a county, as
- 1893 determined by the commission, information declared on an individual income tax
- 1894 return in accordance with Section 59-10-103.1 that relates to eligibility to claim a
- 1895 residential exemption authorized under Section 59-2-103.
- 1896 (u) Notwithstanding Subsection (2), the commission shall provide a report regarding any
- 1897 access line provider that is over 90 days delinquent in payment to the commission of
- 1898 amounts the access line provider owes under Title 69, Chapter 2, Part 4, Prepaid
- 1899 Wireless Telecommunications Service Charges, to ~~the~~ the board of the Utah

- 1900            Communications Authority created in Section 63H-7a-201.
- 1901            (v) Notwithstanding Subsection (2), the commission shall provide the Department of  
1902            Environmental Quality a report on the amount of tax paid by a radioactive waste  
1903            facility for the previous calendar year under Section 59-24-103.5.
- 1904            (w) Notwithstanding Subsection (2), the commission may, upon request, provide to the  
1905            Department of Workforce Services any information received under Chapter 10, Part  
1906            4, Withholding of Tax, that is relevant to the duties of the Department of Workforce  
1907            Services.
- 1908            (x) Notwithstanding Subsection (2), the commission may provide the Public Service  
1909            Commission or the Division of Public Utilities information related to a seller that  
1910            collects and remits to the commission a charge described in Subsection 69-2-405(2),  
1911            including the seller's identity and the number of charges described in Subsection  
1912            69-2-405(2) that the seller collects.
- 1913            (y)(i) Notwithstanding Subsection (2), the commission shall provide to each  
1914            qualifying jurisdiction the collection data necessary to verify the revenue collected  
1915            by the commission for a distributed tax, fee, or charge collected within the  
1916            qualifying jurisdiction.
- 1917            (ii) In addition to the information provided under Subsection (4)(y)(i), the  
1918            commission shall provide a qualifying jurisdiction with copies of returns and other  
1919            information relating to a distributed tax, fee, or charge collected within the  
1920            qualifying jurisdiction.
- 1921            (iii)(A) To obtain the information described in Subsection (4)(y)(ii), the chief  
1922            executive officer or the chief executive officer's designee of the qualifying  
1923            jurisdiction shall submit a written request to the commission that states the  
1924            specific information sought and how the qualifying jurisdiction intends to use  
1925            the information.
- 1926            (B) The information described in Subsection (4)(y)(ii) is available only in official  
1927            matters of the qualifying jurisdiction.
- 1928            (iv) Information that a qualifying jurisdiction receives in response to a request under  
1929            this subsection is:
- 1930            (A) classified as a private record under Title 63G, Chapter 2, Government Records  
1931            Access and Management Act; and
- 1932            (B) subject to the confidentiality requirements of this section.
- 1933            (z) Notwithstanding Subsection (2), the commission shall provide the Alcoholic

- 1934 Beverage Services Commission, upon request, with taxpayer status information  
1935 related to state tax obligations necessary to comply with the requirements described  
1936 in Section 32B-1-203.
- 1937 (aa) Notwithstanding Subsection (2), the commission shall inform the Department of  
1938 Workforce Services, as soon as practicable, whether an individual claimed and is  
1939 entitled to claim a federal earned income tax credit for the year requested by the  
1940 Department of Workforce Services if:
- 1941 (i) the Department of Workforce Services requests this information; and  
1942 (ii) the commission has received the information release described in Section  
1943 35A-9-604.
- 1944 (bb)(i) As used in this Subsection (4)(bb), "unclaimed property administrator" means  
1945 the administrator or the administrator's agent, as those terms are defined in Section  
1946 67-4a-102.
- 1947 (ii)(A) Notwithstanding Subsection (2), upon request from the unclaimed property  
1948 administrator and to the extent allowed under federal law, the commission shall  
1949 provide the unclaimed property administrator the name, address, telephone  
1950 number, county of residence, and social security number or federal employer  
1951 identification number on any return filed under Chapter 7, Corporate Franchise  
1952 and Income Taxes, or Chapter 10, Individual Income Tax Act.
- 1953 (B) The unclaimed property administrator may use the information described in  
1954 Subsection (4)(bb)(ii)(A) only for the purpose of returning unclaimed property  
1955 to the property's owner in accordance with Title 67, Chapter 4a, Revised  
1956 Uniform Unclaimed Property Act.
- 1957 (iii) The unclaimed property administrator is subject to the confidentiality provisions  
1958 of this section with respect to any information the unclaimed property  
1959 administrator receives under this Subsection (4)(bb).
- 1960 (cc) Notwithstanding Subsection (2), the commission may, upon request, disclose a  
1961 taxpayer's state individual income tax information to a program manager of the Utah  
1962 Fits All Scholarship Program under Section 53F-6-402 if:
- 1963 (i) the taxpayer consents in writing to the disclosure;  
1964 (ii) the taxpayer's written consent includes the taxpayer's name, social security  
1965 number, and any other information the commission requests that is necessary to  
1966 verify the identity of the taxpayer; and  
1967 (iii) the program manager provides the taxpayer's written consent to the commission.

- 1968            (dd) Notwithstanding Subsection (2), the commission may, upon request, disclose a  
 1969            taxpayer's state individual income tax information to a scholarship granting  
 1970            organization of the Carson Smith Opportunity Scholarship Program under Section  
 1971            53E-7-402 if:
- 1972            (i) the taxpayer consents in writing to the disclosure;  
 1973            (ii) the taxpayer's written consent includes the taxpayer's name, social security  
 1974            number, and any other information the commission requests that is necessary to  
 1975            verify the identity of the taxpayer; and
- 1976            (iii) the program manager provides the taxpayer's written consent to the commission.
- 1977            [~~(dd)~~] (ee) Notwithstanding Subsection (2), the commission may provide to the Division  
 1978            of Finance within the Department of Government Operations any information  
 1979            necessary to facilitate a payment from the commission to a taxpayer, including:
- 1980            (i) the name of the taxpayer entitled to the payment or any other person legally  
 1981            authorized to receive the payment;
- 1982            (ii) the taxpayer identification number of the taxpayer entitled to the payment;
- 1983            (iii) the payment identification number and amount of the payment;
- 1984            (iv) the tax year to which the payment applies and date on which the payment is due;
- 1985            (v) a mailing address to which the payment may be directed; and
- 1986            (vi) information regarding an account at a depository institution to which the  
 1987            payment may be directed, including the name of the depository institution, the  
 1988            type of account, the account number, and the routing number for the account.
- 1989            [~~(ee)~~] (ff) Notwithstanding Subsection (2), the commission shall provide the total amount  
 1990            of revenue collected by the commission under Subsection 59-5-202(5):
- 1991            (i) at the request of a committee of the Legislature, the Office of the Legislative  
 1992            Fiscal Analyst, or the Governor's Office of Planning and Budget, to the committee  
 1993            or office for the time period specified by the committee or office; and
- 1994            (ii) to the Division of Finance for purposes of the Division of Finance administering  
 1995            Subsection 59-5-202(5).
- 1996            [~~(ff)~~] (gg) Notwithstanding Subsection (2), the commission may provide the Department  
 1997            of Agriculture and Food with information from a return filed in accordance with  
 1998            Chapter 31, Cannabinoid Licensing and Tax Act.
- 1999            [~~(gg)~~] (hh) Notwithstanding Subsection (2), the commission shall provide the  
 2000            Department of Workforce Services with the information described in Section  
 2001            35A-3-105.

2002            [(hh)] (ii) Notwithstanding Subsection (2), the commission may provide aggregated  
2003            information to the Utah Population Committee, created in Section 63C-20-103, if the  
2004            Utah Population Committee requests the information in accordance with Section  
2005            63C-20-105.

2006            (5)(a) Each report and return shall be preserved for at least three years.

2007            (b) After the three-year period provided in Subsection (5)(a) the commission may  
2008            destroy a report or return.

2009            (6)(a) Any individual who violates this section is guilty of a class A misdemeanor.

2010            (b) If the individual described in Subsection (6)(a) is an officer or employee of the state,  
2011            the individual shall be dismissed from office and be disqualified from holding public  
2012            office in this state for a period of five years thereafter.

2013            (c) Notwithstanding Subsection (6)(a) or (b), GOEO, when requesting information in  
2014            accordance with Subsection (4)(n)(iii), or an individual who requests information in  
2015            accordance with Subsection (4)(n)(v):

2016            (i) is not guilty of a class A misdemeanor; and

2017            (ii) is not subject to:

2018            (A) dismissal from office in accordance with Subsection (6)(b); or

2019            (B) disqualification from holding public office in accordance with Subsection  
2020            (6)(b).

2021            (d) Notwithstanding Subsection (6)(a) or (b), for a disclosure of information to the  
2022            Office of the Legislative Auditor General in accordance with Title 36, Chapter 12,  
2023            Legislative Organization, an individual described in Subsection (2):

2024            (i) is not guilty of a class A misdemeanor; and

2025            (ii) is not subject to:

2026            (A) dismissal from office in accordance with Subsection (6)(b); or

2027            (B) disqualification from holding public office in accordance with Subsection  
2028            (6)(b).

2029            (7) Except as provided in Section 59-1-404, this part does not apply to the property tax.

2030            Section 14. Section **59-7-625** is amended to read:

2031            **59-7-625 (Effective 05/06/26) (Applies beginning 01/01/26). Nonrefundable tax**  
2032            **credit for a donation to the Carson Smith Opportunity Scholarship Program.**

2033            (1) A taxpayer that makes a donation to the Carson Smith Opportunity Scholarship Program  
2034            established in Section 53E-7-402 may claim a nonrefundable tax credit equal to 100% of  
2035            the amount stated on a tax credit certificate issued in accordance with Section 53E-7-407.

- 2036 (2) A taxpayer may claim the tax credit described in Subsection (1) for the taxable year  
 2037 indicated on the tax credit certificate issued in accordance with Section 53E-7-407.  
 2038 (3) A taxpayer may not claim the tax credit described in Subsection (1) for a donation to the  
 2039 extent the taxpayer claims the donation as a deduction or credit against the taxpayers  
 2040 federal income taxes for any taxable year.

2041 [~~(2) If the amount of a tax credit listed on the tax credit certificate exceeds a taxpayer's~~  
 2042 ~~liability under this chapter for a taxable year, the taxpayer:]~~

2043 [~~(a) may carry forward the amount of the tax credit exceeding the liability for a period~~  
 2044 ~~that does not exceed the next three taxable years; and]~~

2045 [~~(b) may carry back the amount of the tax credit that exceeds the taxpayer's tax liability~~  
 2046 ~~to the previous taxable year.]~~

2047 Section 15. Section **59-10-1041** is amended to read:

2048 **59-10-1041 (Effective 05/06/26) (Applies beginning 01/01/26). Nonrefundable tax**  
 2049 **credit for a donation to the Carson Smith Opportunity Scholarship Program.**

2050 (1) Except as provided in Subsection (3), a claimant, estate, or trust that makes a donation  
 2051 to the Carson Smith Opportunity Scholarship Program established in Section 53E-7-402  
 2052 may claim a nonrefundable tax credit equal to 100% of the amount stated on a tax credit  
 2053 certificate issued in accordance with Section 53E-7-407.

2054 (2) The tax credit described in Subsection (1) may be claimed for the taxable year indicated  
 2055 on the tax credit certificate issued in accordance with Section 53E-7-407.

2056 (3) A claimant, estate, or trust may not claim the tax credit described in Subsection (1) for a  
 2057 donation to the extent the claimant, estate, trust claims the donation as a deduction or  
 2058 credit against the claimants, estates, or trusts federal income taxes for any taxable year.

2059 [~~(2) If the amount of a tax credit listed on the tax credit certificate exceeds a claimant's,~~  
 2060 ~~estate's, or trust's tax liability under this chapter for a taxable year, the claimant, estate,~~  
 2061 ~~or trust:]~~

2062 [~~(a) may carry forward the amount of the tax credit exceeding the liability for a period~~  
 2063 ~~that does not exceed the next three taxable years; and]~~

2064 [~~(b) may carry back the amount of the tax credit that exceeds the claimant's, estate's, or~~  
 2065 ~~trust's tax liability to the previous taxable year.]~~

2066 [~~(3) A claimant, estate, or trust may not claim a credit described in Subsection (1) to the~~  
 2067 ~~extent the claimant, estate, or trust claims a donation described in Subsection (1) as an~~  
 2068 ~~itemized deduction on the claimant's, estate's, or trust's federal individual income tax~~  
 2069 ~~return for that taxable year.]~~

2070 Section 16. **Effective Date.**

2071 This bill takes effect on May 6, 2026.

2072 Section 17. **Retrospective operation.**

2073 The following sections have retrospective operation for a taxable year starting on or  
2074 after January 1, 2026:

2075 (1) Section 59-1-403 (Effective 05/06/26) (Applies beginning 01/01/26) (Partially Repealed  
07/01/29);

2076 (2) Section 59-7-625 (Effective 05/06/26) (Applies beginning 01/01/26); and

2077 (3) Section 59-10-1041 (Effective 05/06/26) (Applies beginning 01/01/26).