

Daniel McCay proposes the following substitute bill:

General Oversight Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

House Sponsor: Trevor Lee

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

LONG TITLE

General Description:

This bill amends provisions related to legislative general oversight, including administrative rulemaking.

Highlighted Provisions:

This bill:

- defines terms;
- renames the Rules Review and General Oversight Committee to the General Oversight Committee (committee);
- amends the membership of the committee;
- amends provisions related to what actions the committee may take regarding hearings, bill files, and administrative rules;
- amends when the committee may close meetings;
- amends provisions related to the process and procedures for making administrative rules;
- amends the responsibilities of the Office of Administrative Rules;
- modifies the rulemaking process to include the governor if certain circumstances are met;
- repeals the governor's authority to revive rules that the Legislature has voted to not reauthorize; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

19-1-111 (Effective 05/06/26), as enacted by Laws of Utah 2025, Chapter 156

29 **19-1-206 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 439
30 **19-1-207 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
31 **19-5-104.5 (Effective 05/06/26) (Repealed 07/01/29)**, as last amended by Laws of Utah
32 2024, Chapter 178
33 **26B-1-219 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 470
34 **26B-3-129 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
35 **36-35-101 (Effective 05/06/26)**, as enacted by Laws of Utah 2024, Chapter 178
36 **36-35-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 463
37 **52-4-205 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 391
38 **53E-3-525 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 501
39 **53H-1-403 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, First Special Session,
40 Chapter 8
41 **53H-7-303 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025,
42 First Special Session, Chapter 8
43 **54-17-701 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
44 **63A-5b-607 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 439
45 **63A-13-202 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
46 **63A-13-305 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
47 **63G-3-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 483
48 **63G-3-201 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
49 Session, Chapter 9
50 **63G-3-202 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2008,
51 Chapter 382
52 **63G-3-301 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapters 463,
53 483
54 **63G-3-302 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 347
55 **63G-3-303 (Effective 05/06/26)**, as last amended by Laws of Utah 2016, Chapter 193
56 **63G-3-304 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
57 **63G-3-304.1 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 463
58 **63G-3-305 (Effective 05/06/26)**, as last amended by Laws of Utah 2016, Chapter 193
59 **63G-3-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2021, Chapter 344
60 **63G-3-402 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
61 **63G-3-403 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
62 **63G-3-502 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178

63 **63G-3-503 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 277
 64 **63G-3-601 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 408
 65 **63O-2-403 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter -1000
 66 **72-6-107.5 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 439
 67 **79-2-404 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 439

68 ENACTS:

69 **36-35-102.5 (Effective 05/06/26)**, Utah Code Annotated 1953
 70 **63G-3-304.2 (Effective 05/06/26)**, Utah Code Annotated 1953

71 REPEALS:

72 **63G-3-101 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2008,
 73 Chapter 382

74
 75 *Be it enacted by the Legislature of the state of Utah:*

76 Section 1. Section **19-1-111** is amended to read:

77 **19-1-111 (Effective 05/06/26). Governance committee with local health**
 78 **departments.**

79 (1) As used in this section:

- 80 (a) "Exempt application" means an application for federal funding that meets the criteria
 81 established under Subsection (3)(g).
 82 (b) "Federal funding" means a grant, contract, or other funding from the federal
 83 government that could provide funds for a local health department to fulfill the duties
 84 and responsibilities of the local health department.
 85 (c) "Governance committee" means the committee created in Subsection (2).

86 (2) The department shall establish a committee that consists of:

- 87 (a) the executive director or the executive director's designee;
 88 (b) two representatives of the department appointed by the executive director; and
 89 (c) three representatives of local health departments appointed by a group representing
 90 all the local health departments in the state.

91 (3) The governance committee shall:

- 92 (a) review all state and federal funding to the department to identify funding that the
 93 department may use to support:
 94 (i) the requirements of Subsection 26A-1-106(3); and
 95 (ii) the minimum performance standards created by the department under Subsection
 96 26A-1-106(4);

- 97 (b) review the allocation of environmental quality resources between the department and
 98 the local health departments, including whether funds allocated by contract or
 99 cooperative agreement were:
- 100 (i) allocated in accordance with the formula described in Section 26A-1-116; and
 101 (ii) subject to requirements satisfying or exceeding the minimum performance
 102 standards created by the department under Section 26A-1-106;
- 103 (c) evaluate rules and department policies that affect a local health department in
 104 accordance with Subsection (4);
- 105 (d) consider policy changes proposed by the department or by a local health department;
- 106 (e) coordinate the implementation of environmental quality programs to maximize
 107 environmental quality resources;
- 108 (f) except as provided by Subsection (3)(g), review each department application for any
 109 federal funding that affects a local health department before the department submits
 110 the application; and
- 111 (g) establish a process by which the committee may exempt an application for federal
 112 funding from the review required under Subsection (3)(f).
- 113 (4) When evaluating a policy or rule that affects a local health department, the governance
 114 committee shall:
- 115 (a) compute an estimate of the cost a local health department will bear to comply with
 116 the policy or rule;
- 117 (b) specify whether there is any funding provided to a local health department to
 118 implement the policy or rule; and
- 119 (c) advise whether the policy or rule is needed.
- 120 (5) The governance committee shall create bylaws to govern the committee's operations.
- 121 (6) Before November 1 of each year, the department shall provide a report to the [~~Rules~~
 122 ~~Review and General Oversight]~~ General Oversight Committee regarding the
 123 determinations made under Subsection (4).
- 124 Section 2. Section **19-1-206** is amended to read:
- 125 **19-1-206 (Effective 05/06/26). Contracting powers of department -- Health**
 126 **insurance coverage.**
- 127 (1) As used in this section:
- 128 (a) "Aggregate" means the sum of all contracts, change orders, and modifications related
 129 to a single project.
- 130 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.

- 131 (c) "Employee" means, as defined in Section 34A-2-104, an "employee," "worker," or
132 "operative" who:
- 133 (i) works at least 30 hours per calendar week; and
 - 134 (ii) meets employer eligibility waiting requirements for health care insurance, which
135 may not exceed the first day of the calendar month following 60 days after the day
136 on which the individual is hired.
- 137 (d) "Health benefit plan" means:
- 138 (i) the same as that term is defined in Section 31A-1-301; or
 - 139 (ii) an employee welfare benefit plan:
 - 140 (A) established under the Employee Retirement Income Security Act of 1974, 29
141 U.S.C. Sec. 1001 et seq.;
 - 142 (B) for an employer with 100 or more employees; and
 - 143 (C) in which the employer establishes a self-funded or partially self-funded group
144 health plan to provide medical care for the employer's employees and
145 dependents of the employees.
- 146 (e) "Qualified health coverage" means the same as that term is defined in Section
147 26B-3-909.
- 148 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.
- 149 (g) "Third party administrator" or "administrator" means the same as that term is defined
150 in Section 31A-1-301.
- 151 (2) Except as provided in Subsection (3), the requirements of this section apply to:
- 152 (a) a contractor of a design or construction contract entered into by, or delegated to, the
153 department, or a division or board of the department, on or after July 1, 2009, if the
154 prime contract is in an aggregate amount equal to or greater than \$2,000,000; and
 - 155 (b) a subcontractor of a contractor of a design or construction contract entered into by, or
156 delegated to, the department, or a division or board of the department, on or after July
157 1, 2009, if the subcontract is in an aggregate amount equal to or greater than
158 \$1,000,000.
- 159 (3) This section does not apply to contracts entered into by the department or a division or
160 board of the department if:
- 161 (a) the application of this section jeopardizes the receipt of federal funds;
 - 162 (b) the contract or agreement is between:
 - 163 (i) the department or a division or board of the department; and
 - 164 (ii)(A) another agency of the state;

- 165 (B) the federal government;
- 166 (C) another state;
- 167 (D) an interstate agency;
- 168 (E) a political subdivision of this state; or
- 169 (F) a political subdivision of another state;
- 170 (c) the executive director determines that applying the requirements of this section to a
- 171 particular contract interferes with the effective response to an immediate health and
- 172 safety threat from the environment; or
- 173 (d) the contract is:
- 174 (i) a sole source contract; or
- 175 (ii) an emergency procurement.
- 176 (4) A person that intentionally uses change orders, contract modifications, or multiple
- 177 contracts to circumvent the requirements of this section is guilty of an infraction.
- 178 (5)(a) A contractor subject to the requirements of this section shall demonstrate to the
- 179 executive director that the contractor has and will maintain an offer of qualified
- 180 health coverage for the contractor's employees and the employees' dependents during
- 181 the duration of the contract by submitting to the executive director a written
- 182 statement that:
- 183 (i) the contractor offers qualified health coverage that complies with Section
- 184 26B-3-909;
- 185 (ii) is from:
- 186 (A) an actuary selected by the contractor or the contractor's insurer;
- 187 (B) an underwriter who is responsible for developing the employer group's
- 188 premium rates; or
- 189 (C) if the contractor provides a health benefit plan described in Subsection
- 190 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and
- 191 (iii) was created within one year before the day on which the statement is submitted.
- 192 (b)(i) A contractor that provides a health benefit plan described in Subsection
- 193 (1)(d)(ii) shall provide the actuary or underwriter selected by an administrator, as
- 194 described in Subsection (5)(a)(ii)(C), sufficient information to determine whether
- 195 the contractor's contribution to the health benefit plan and the actuarial value of
- 196 the health benefit plan meet the requirements of qualified health coverage.
- 197 (ii) A contractor may not make a change to the contractor's contribution to the health
- 198 benefit plan, unless the contractor provides notice to:

- 199 (A) the actuary or underwriter selected by an administrator, as described in
200 Subsection (5)(a)(ii)(C), for the actuary or underwriter to update the written
201 statement described in Subsection (5)(a) in compliance with this section; and
202 (B) the department.
- 203 (c) A contractor that is subject to the requirements of this section shall:
- 204 (i) place a requirement in each of the contractor's subcontracts that a subcontractor
205 that is subject to the requirements of this section shall obtain and maintain an offer
206 of qualified health coverage for the subcontractor's employees and the employees'
207 dependents during the duration of the subcontract; and
- 208 (ii) obtain from a subcontractor that is subject to the requirements of this section a
209 written statement that:
- 210 (A) the subcontractor offers qualified health coverage that complies with Section
211 26B-3-909;
- 212 (B) is from an actuary selected by the subcontractor or the subcontractor's insurer,
213 an underwriter who is responsible for developing the employer group's
214 premium rates, or if the subcontractor provides a health benefit plan described
215 in Subsection (1)(d)(ii), an actuary or underwriter selected by an administrator;
216 and
- 217 (C) was created within one year before the day on which the contractor obtains the
218 statement.
- 219 (d)(i)(A) A contractor that fails to maintain an offer of qualified health coverage
220 described in Subsection (5)(a) during the duration of the contract is subject to
221 penalties in accordance with administrative rules adopted by the department
222 under Subsection (6).
- 223 (B) A contractor is not subject to penalties for the failure of a subcontractor to
224 obtain and maintain an offer of qualified health coverage described in
225 Subsection (5)(c)(i).
- 226 (ii)(A) A subcontractor that fails to obtain and maintain an offer of qualified
227 health coverage described in Subsection (5)(c) during the duration of the
228 subcontract is subject to penalties in accordance with administrative rules
229 adopted by the department under Subsection (6).
- 230 (B) A subcontractor is not subject to penalties for the failure of a contractor to
231 maintain an offer of qualified health coverage described in Subsection (5)(a).
- 232 (6) The department shall adopt administrative rules:

- 233 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 234 (b) in coordination with:
- 235 (i) a public transit district in accordance with Section 17B-2a-818.5;
- 236 (ii) the Department of Natural Resources in accordance with Section 79-2-404;
- 237 (iii) the Division of Facilities Construction and Management in accordance with
- 238 Section 63A-5b-607;
- 239 (iv) the State Capitol Preservation Board in accordance with Section 63O-2-403;
- 240 (v) the Department of Transportation in accordance with Section 72-6-107.5; and
- 241 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight
- 242 Committee created in Section 36-35-102; and
- 243 (c) that establish:
- 244 (i) the requirements and procedures a contractor and a subcontractor shall follow to
- 245 demonstrate compliance with this section, including:
- 246 (A) that a contractor or subcontractor's compliance with this section is subject to
- 247 an audit by the department or the Office of the Legislative Auditor General;
- 248 (B) that a contractor that is subject to the requirements of this section shall obtain
- 249 a written statement described in Subsection (5)(a); and
- 250 (C) that a subcontractor that is subject to the requirements of this section shall
- 251 obtain a written statement described in Subsection (5)(c)(ii);
- 252 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally
- 253 violates the provisions of this section, which may include:
- 254 (A) a three-month suspension of the contractor or subcontractor from entering into
- 255 future contracts with the state upon the first violation;
- 256 (B) a six-month suspension of the contractor or subcontractor from entering into
- 257 future contracts with the state upon the second violation;
- 258 (C) an action for debarment of the contractor or subcontractor in accordance with
- 259 Section 63G-6a-904 upon the third or subsequent violation; and
- 260 (D) notwithstanding Section 19-1-303, monetary penalties which may not exceed
- 261 50% of the amount necessary to purchase qualified health coverage for an
- 262 employee and the dependents of an employee of the contractor or subcontractor
- 263 who was not offered qualified health coverage during the duration of the
- 264 contract; and
- 265 (iii) a website on which the department shall post the commercially equivalent
- 266 benchmark, for the qualified health coverage identified in Subsection (1)(e), that

267 is provided by the Department of Health and Human Services, in accordance with
268 Subsection 26B-3-909(2).

269 (7)(a)(i) In addition to the penalties imposed under Subsection (6)(c)(ii), a contractor
270 or subcontractor who intentionally violates the provisions of this section is liable
271 to the employee for health care costs that would have been covered by qualified
272 health coverage.

273 (ii) An employer has an affirmative defense to a cause of action under Subsection
274 (7)(a)(i) if:

275 (A) the employer relied in good faith on a written statement described in
276 Subsection (5)(a) or (5)(c)(ii); or

277 (B) the department determines that compliance with this section is not required
278 under the provisions of Subsection (3).

279 (b) An employee has a private right of action only against the employee's employer to
280 enforce the provisions of this Subsection (7).

281 (8) Any penalties imposed and collected under this section shall be deposited into the
282 Medicaid Growth Reduction and Budget Stabilization Account created in Section
283 63J-1-315.

284 (9) The failure of a contractor or subcontractor to provide qualified health coverage as
285 required by this section:

286 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,
287 or contractor under:

288 (i) Section 63G-6a-1602; or

289 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and

290 (b) may not be used by the procurement entity or a prospective bidder, offeror, or
291 contractor as a basis for any action or suit that would suspend, disrupt, or terminate
292 the design or construction.

293 (10) An administrator, including an administrator's actuary or underwriter, who provides a
294 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage
295 of a contractor or subcontractor who provides a health benefit plan described in
296 Subsection (1)(d)(ii):

297 (a) subject to Subsection (10)(b), is not liable for an error in the written statement, unless
298 the administrator commits gross negligence in preparing the written statement;

299 (b) is not liable for any error in the written statement if the administrator relied in good
300 faith on information from the contractor or subcontractor; and

301 (c) may require as a condition of providing the written statement that a contractor or
302 subcontractor hold the administrator harmless for an action arising under this section.

303 Section 3. Section **19-1-207** is amended to read:

304 **19-1-207 (Effective 05/06/26). Regulatory certainty to support economic**
305 **recovery.**

306 (1) On or before June 30, 2021, the Air Quality Board or the Water Quality Board may not
307 make, amend, or repeal a rule related to air or water quality pursuant to this title, if
308 formal rulemaking was not initiated on or before July 1, 2020, unless the rule constitutes:

309 (a) a state rule related to a federally-delegated program;

310 (b) a rule mandated by statute to be made, amended, or repealed on or before July 1,
311 2020; or

312 (c) subject to Subsection (2), a rule that is necessary because failure to make, amend, or
313 repeal the rule will:

314 (i) cause an imminent peril to the public health, safety, or welfare;

315 (ii) cause an imminent budget reduction because of budget restraints or federal
316 requirements;

317 (iii) place the agency in violation of federal or state law; or

318 (iv) fail to provide regulatory relief.

319 (2) In addition to complying with Title 63G, Chapter 3, Utah Administrative Rulemaking
320 Act, the department shall report to the [~~Rules Review and General Oversight~~] General
321 Oversight Committee as to whether the need to act meets the requirements of Subsection
322 (1)(c).

323 (3) On or after August 31, 2020, but on or before June 30, 2021, the Air Quality Board,
324 Division of Air Quality, Water Quality Board, or Division of Water Quality may not
325 impose a new fee or increase a fee related to air or water quality pursuant to this title or
326 rules made under this title.

327 (4) Only the Legislature may extend the time limitations of this section.

328 (5) Notwithstanding the other provisions of this section, this section does not apply to a
329 rule, fee, or fee increase to the extent that the rule, fee, or fee increase applies to an
330 activity in a county of the first or second class.

331 (6) Notwithstanding the other provisions of this section, the agencies may engage with
332 stakeholders in the process of discussing, developing, and drafting a rule, fee, or fee
333 increase on or after July 1, 2020, but on or before June 30, 2021.

334 Section 4. Section **19-5-104.5** is amended to read:

335 **19-5-104.5 (Effective 05/06/26) (Repealed 07/01/29). Legislative review and**
336 **approval.**

337 (1) Before sending a total maximum daily load and implementation strategy to the EPA for
338 review and approval, the Water Quality Board shall submit the total maximum daily
339 load:

340 (a) for review to the Natural Resources, Agriculture, and Environment Interim
341 Committee if the total maximum daily load will require a public or private
342 expenditure in excess of \$10,000,000 but less than \$100,000,000 for compliance; or

343 (b) for approval to the Legislature if the total maximum daily load will require a public
344 or private expenditure of \$100,000,000 or more.

345 (2)(a) As used in this Subsection (2):

346 (i) "Expenditure" means the act of expending funds:

347 (A) by an individual public facility with a Utah Pollutant Discharge Elimination
348 System permit, or by a group of private agricultural facilities; and

349 (B) through an initial capital investment, or through operational costs over a
350 three-year period.

351 (ii) "Utah Pollutant Discharge Elimination System" means the state permit system
352 created in accordance with 33 U.S.C. Sec. 1342.

353 (b) Before the board adopts a nitrogen or phosphorus rule or standard, the board shall
354 submit the rule or standard as directed in Subsections (2)(c) and (d).

355 (c)(i) If compliance with the rule or standard requires an expenditure in excess of
356 \$250,000, but less than \$10,000,000, the board shall submit the rule or standard
357 for review to the Natural Resources, Agriculture, and Environment Interim
358 Committee.

359 (ii)(A) Except as provided in Subsection (2)(c)(ii)(B), the Natural Resources,
360 Agriculture, and Environment Interim Committee shall review a rule or
361 standard the board submits under Subsection (2)(c)(i) during the Natural
362 Resources, Agriculture, and Environment Interim Committee's committee
363 meeting immediately following the day on which the board submits the rule or
364 standard.

365 (B) If the committee meeting described in Subsection (2)(c)(ii)(A) is within five
366 days after the day on which the board submits the rule or standard for review,
367 the Natural Resources, Agriculture, and Environment Interim Committee shall
368 review the rule or standard during the committee meeting described in

- 369 Subsection (2)(c)(ii)(A) or during the committee meeting immediately
370 following the committee meeting described in Subsection (2)(c)(ii)(A).
- 371 (d) If compliance with the rule or standard requires an expenditure of \$10,000,000 or
372 more, the board shall submit the rule or standard for approval to the Legislature.
- 373 (e)(i) A facility shall estimate the cost of compliance with a board-proposed rule or
374 standard described in Subsection (2)(b) using:
- 375 (A) an independent, licensed engineer; and
376 (B) industry-accepted project cost estimate methods.
- 377 (ii) The board may evaluate and report on a compliance estimate described in
378 Subsection (2)(e)(i).
- 379 (f) If there is a discrepancy in the estimated cost to comply with a rule or standard, the
380 Office of the Legislative Fiscal Analyst shall determine the estimated cost to comply
381 with the rule or standard.
- 382 (3) In reviewing a rule or standard, the Natural Resources, Agriculture, and Environment
383 Interim Committee may:
- 384 (a) consider the impact of the rule or standard on:
- 385 (i) economic costs and benefit;
386 (ii) public health; and
387 (iii) the environment;
- 388 (b) suggest additional areas of consideration; or
389 (c) recommend the rule or standard to the board for:
- 390 (i) adoption; or
391 (ii) re-evaluation followed by further review by the Natural Resources, Agriculture,
392 and Environment Interim Committee.
- 393 (4) When the Natural Resources, Agriculture, and Environment Interim Committee sets the
394 review of a rule or standard submitted under Subsection (2)(c)(i) as an agenda item, the
395 committee shall:
- 396 (a) before the review, directly inform the chairs of the [~~Rules Review and General~~
397 ~~Oversight~~] General Oversight Committee of the coming review, including the date,
398 time, and place of the review; and
399 (b) after the review, directly inform the chairs of the [~~Rules Review and General~~
400 ~~Oversight~~] General Oversight Committee of the outcome of the review, including any
401 recommendation.
- 402 Section 5. Section **26B-1-219** is amended to read:

403 **26B-1-219 (Effective 05/06/26). Requirements for issuing, recommending, or**
404 **facilitating rationing criteria.**

405 (1) As used in this section:

406 (a) "Health care resource" means:

407 (i) health care as defined in Section 78B-3-403;

408 (ii) a prescription drug as defined in Section 58-17b-102;

409 (iii) a prescription device as defined in Section 58-17b-102;

410 (iv) a nonprescription drug as defined in Section 58-17b-102; or

411 (v) any supply or treatment that is intended for use in the course of providing health
412 care as defined in Section 78B-3-403.

413 (b)(i) "Rationing criteria" means any requirement, guideline, process, or
414 recommendation regarding:

415 (A) the distribution of a scarce health care resource; or

416 (B) qualifications or criteria for a person to receive a scarce health care resource.

417 (ii) "Rationing criteria" includes crisis standards of care with respect to any health
418 care resource.

419 (c) "Scarce health care resource" means a health care resource:

420 (i) for which the need for the health care resource in the state or region significantly
421 exceeds the available supply of that health care resource in that state or region;

422 (ii) that, based on the circumstances described in Subsection (1)(c)(i), is distributed
423 or provided using written requirements, guidelines, processes, or

424 recommendations as a factor in the decision to distribute or provide the health care
425 resource; and

426 (iii) that the federal government has allocated to the state to distribute.

427 (2)(a) On or before July 1, 2022, the department shall make rules in accordance with

428 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish a procedure

429 that the department will follow to adopt, modify, require, facilitate, or recommend
430 rationing criteria.

431 (b) Beginning July 1, 2022, the department may not adopt, modify, require, facilitate, or
432 recommend rationing criteria unless the department follows the procedure established
433 by the department under Subsection (2)(a).

434 (3) The procedures developed by the department under Subsection (2) shall include, at a
435 minimum:

436 (a) a requirement that the department notify the following individuals in writing before

- 437 rationing criteria are issued, are recommended, or take effect:
- 438 (i) the [~~Rules Review and General Oversight~~] General Oversight Committee created
- 439 in Section 36-35-102;
- 440 (ii) the governor or the governor's designee;
- 441 (iii) the president of the Senate or the president's designee;
- 442 (iv) the speaker of the House of Representatives or the speaker's designee;
- 443 (v) the executive director or the executive director's designee; and
- 444 (vi) if rationing criteria affect hospitals in the state, a representative of an association
- 445 representing hospitals throughout the state, as designated by the executive
- 446 director; and
- 447 (b) procedures for an emergency circumstance which shall include, at a minimum:
- 448 (i) a description of the circumstances under which emergency procedures described
- 449 in this Subsection (3)(b) may be used; and
- 450 (ii) a requirement that the department notify the individuals described in Subsections
- 451 (3)(a)(i) through (vi) as soon as practicable, but no later than 48 hours after the
- 452 rationing criteria take effect.
- 453 (4) The requirements described in this section and rules made under this section shall apply
- 454 regardless of whether rationing criteria:
- 455 (a) have the force and effect of law, or is solely advisory, informative, or descriptive;
- 456 (b) are carried out or implemented directly or indirectly by the department or by other
- 457 individuals or entities; or
- 458 (c) are developed solely by the department or in collaboration with other individuals or
- 459 entities.
- 460 (5) This section:
- 461 (a) may not be suspended under Section 53-2a-209 or any other provision of state law
- 462 relating to a state of emergency;
- 463 (b) does not limit a private entity from developing or implementing rationing criteria; and
- 464 (c) does not require the department to adopt, modify, require, facilitate, or recommend
- 465 rationing criteria that the department does not determine to be necessary or
- 466 appropriate.
- 467 (6) Subsection (2) does not apply to rationing criteria that are adopted, modified, required,
- 468 facilitated, or recommended by the department:
- 469 (a) through the regular, non-emergency rulemaking procedure described in Section
- 470 63G-3-301;

- 471 (b) if the modification is solely to correct a technical error in rationing criteria such as
 472 correcting obvious errors and inconsistencies including those involving punctuation,
 473 capitalization, cross references, numbering, and wording;
- 474 (c) to the extent that compliance with this section would result in a direct violation of
 475 federal law;
- 476 (d) that are necessary for administration of the Medicaid program;
- 477 (e) if state law explicitly authorizes the department to engage in rulemaking to establish
 478 rationing criteria; or
- 479 (f) if rationing criteria are authorized directly through a general appropriation bill that is
 480 validly enacted.

481 Section 6. Section **26B-3-129** is amended to read:

482 **26B-3-129 (Effective 05/06/26). Review of claims -- Audit and investigation**
 483 **procedures.**

- 484 (1)(a) The department shall adopt administrative rules in accordance with Title 63G,
 485 Chapter 3, Utah Administrative Rulemaking Act, and in consultation with providers
 486 and health care professionals subject to audit and investigation under the state
 487 Medicaid program, to establish procedures for audits and investigations that are fair
 488 and consistent with the duties of the department as the single state agency responsible
 489 for the administration of the Medicaid program under Section 26B-3-108 and Title
 490 XIX of the Social Security Act.
- 491 (b) If the providers and health care professionals do not agree with the rules proposed or
 492 adopted by the department under Subsection (1)(a), the providers or health care
 493 professionals may:
- 494 (i) request a hearing for the proposed administrative rule or seek any other remedies
 495 under the provisions of Title 63G, Chapter 3, Utah Administrative Rulemaking
 496 Act; and
- 497 (ii) request a review of the rule by the Legislature's [~~Rules Review and General~~
 498 ~~Oversight~~] General Oversight Committee created in Section 36-35-102.
- 499 (2) The department shall:
- 500 (a) notify and educate providers and health care professionals subject to audit and
 501 investigation under the Medicaid program of the providers' and health care
 502 professionals' responsibilities and rights under the administrative rules adopted by the
 503 department under the provisions of this section;
- 504 (b) ensure that the department, or any entity that contracts with the department to

- 505 conduct audits:
- 506 (i) has on staff or contracts with a medical or dental professional who is experienced
 507 in the treatment, billing, and coding procedures used by the type of provider being
 508 audited; and
- 509 (ii) uses the services of the appropriate professional described in Subsection [~~(3)(b)(i)~~]
 510 (2)(b)(i) if the provider who is the subject of the audit disputes the findings of the
 511 audit;
- 512 (c) ensure that a finding of overpayment or underpayment to a provider is not based on
 513 extrapolation, as defined in Section 63A-13-102, unless:
- 514 (i) there is a determination that the level of payment error involving the provider
 515 exceeds a 10% error rate:
- 516 (A) for a sample of claims for a particular service code; and
 517 (B) over a three year period of time;
- 518 (ii) documented education intervention has failed to correct the level of payment
 519 error; and
- 520 (iii) the value of the claims for the provider, in aggregate, exceeds \$200,000 in
 521 reimbursement for a particular service code on an annual basis; and
- 522 (d) require that any entity with which the office contracts, for the purpose of conducting
 523 an audit of a service provider, shall be paid on a flat fee basis for identifying both
 524 overpayments and underpayments.
- 525 (3)(a) If the department, or a contractor on behalf of the department:
- 526 (i) intends to implement the use of extrapolation as a method of auditing claims, the
 527 department shall, prior to adopting the extrapolation method of auditing, report [~~its~~]
 528 the department's intent to use extrapolation to the Social Services Appropriations
 529 Subcommittee; and
- 530 (ii) determines Subsections (2)(c)(i) through (iii) are applicable to a provider, the
 531 department or the contractor may use extrapolation only for the service code
 532 associated with the findings under Subsections (2)(c)(i) through (iii).
- 533 (b)(i) If extrapolation is used under this section, a provider may, at the provider's
 534 option, appeal the results of the audit based on:
- 535 (A) each individual claim; or
 536 (B) the extrapolation sample.
- 537 (ii) Nothing in this section limits a provider's right to appeal the audit under [~~Title~~
 538 ~~63G, General Government,~~] Title 63G, Chapter 4, Administrative Procedures Act,

539 the Medicaid program and its manual or rules, or other laws or rules that may
540 provide remedies to providers.

541 Section 7. Section **36-35-101** is amended to read:

542 **36-35-101 (Effective 05/06/26). Definitions.**

543 As used in this chapter:

544 (1) "Abuse of authority" means an arbitrary or capricious exercise of power that:

545 (a) adversely affects the employment rights of another; or

546 (b) results in personal gain to the person exercising the authority or to another person.

547 (2) "Agency" means the same as that term is defined in Section 63G-3-102.

548 (3) "Agency rule" means the same as the term "rule" is defined in Section 63G-3-101.

549 [~~(2)~~] (4) "Committee" means the [~~Rules Review and General Oversight~~] General Oversight
550 Committee.

551 [~~(3)~~] (5) "Court Rule" means any of the following, whether existing, new, or proposed:

552 (a) rules of procedure, evidence, or practice for use of the courts of this state;

553 (b) rules governing and managing the appellate process adopted by the Supreme Court;

554 or

555 (c) rules adopted by the Judicial Council for the administration of the courts of the state.

556 (6) "Gross mismanagement" means action or failure to act by a person, with respect to a
557 person's responsibility, that causes significant harm or risk of harm to the mission of the
558 public entity or public body that employs, or is managed or controlled by, the person.

559 [~~(4)~~] (7) "Judicial advisory committee" means the committee that proposes to the Supreme
560 Court rules or changes in court rules related to:

561 (a) civil procedure;

562 (b) criminal procedure;

563 (c) juvenile procedure;

564 (d) appellate procedure;

565 (e) evidence;

566 (f) professional conduct; and

567 (g) the subject matter focus of any other committee that the Supreme Court establishes
568 to propose rules or changes in court rules to the Supreme Court.

569 [~~(5)~~] (8) "Judicial council" means the administrative body of the courts, established in Utah
570 Constitution, Article VIII, Section 12, and Section 78A-2-104.

571 (9) "Legislative issue" means any issue that could impact or inform legislation or potential
572 legislation.

- 573 (10) "Matter subject to litigation" means any issue that is directly or indirectly:
 574 (a) being litigated in a court; or
 575 (b) likely to be litigated in a court.
- 576 (11) "Office" means the same as that term is defined in Section 63G-3-102.
- 577 [(6)] (12) "Proposal for court rule" means the proposed language in a court rule that is
 578 submitted to:
 579 (a) the Judicial Council;
 580 (b) the advisory committee; or
 581 (c) the Supreme Court.
- 582 [(7)] (13) "Rule" means an agency rule or a court rule.
- 583 (14) "Unethical conduct" means conduct that violates a provision of Title 67, Chapter 16,
 584 Utah Public Officers' and Employees' Ethics Act.
- 585 (15) "Whistleblower compliant" means a complaint by a current or former agency
 586 employee that alleges the employee's employer or former employer is:
 587 (a) wasting or misusing public funds, property, or manpower;
 588 (b) violating or may be violating a law, rule, or regulation adopted under the law of this
 589 state, a political subdivision of this state, or any recognized entity of the United
 590 States; or
 591 (c) engaging in:
 592 (i) gross mismanagement;
 593 (ii) abuse of authority; or
 594 (iii) unethical conduct.
- 595 Section 8. Section **36-35-102** is amended to read:
 596 **36-35-102 (Effective 05/06/26). General Oversight Committee.**
- 597 (1)(a) There is created [~~a Rules Review and General Oversight~~] the General Oversight
 598 Committee consisting of the following [10] 13 permanent members:
 599 (i) [~~five~~] six members of the Senate appointed by the president of the Senate, no more
 600 than [~~three~~] four of whom may be from the same political party; and
 601 (ii) [~~five~~] seven members of the House of Representatives appointed by the speaker
 602 of the House of Representatives, no more than [~~three~~] five of whom may be from
 603 the same political party.
- 604 (b) Each permanent member shall serve[:~~]~~ at the pleasure of the appointing officer.
 605 [(i) for a two-year term; or]
 606 [(ii) until the permanent member's successor is appointed.]

- 607 (c)(i) A vacancy exists when a permanent member ceases to be a member of the
 608 Legislature, when removed by the appointing officer, or when a permanent
 609 member resigns from the committee.
- 610 (ii) When a vacancy exists:
- 611 (A) if the departing member is a member of the Senate, the president of the Senate
 612 shall appoint a member of the Senate to fill the vacancy; or
- 613 (B) if the departing member is a member of the House of Representatives, the
 614 speaker of the House of Representatives shall appoint a member of the House
 615 of Representatives to fill the vacancy.
- 616 [~~(iii) The newly appointed member shall serve the remainder of the departing~~
 617 ~~member's unexpired term.]~~
- 618 (d)(i) The president of the Senate shall designate a member of the Senate appointed
 619 under Subsection (1)(a)(i) as a cochair of the committee.
- 620 (ii) The speaker of the House of Representatives shall designate a member of the
 621 House of Representatives appointed under Subsection (1)(a)(ii) as a cochair of the
 622 committee.
- 623 (e) [~~Three~~] Four representatives and three senators from the permanent members are a
 624 quorum for the transaction of business at any meeting.
- 625 (f)[~~(i) Subject to Subsection (1)(f)(ii), the~~] The committee shall meet [~~at least once~~
 626 ~~each month to review new agency rules and court rules, amendments to existing~~
 627 ~~agency rules and court rules, and repeals of existing agency rules and court rules.]~~
 628 at the discretion of the committee chairs.
- 629 [~~(ii) The committee chairs may suspend the meeting requirement described in~~
 630 ~~Subsection (1)(f)(i) at the committee chairs' discretion.]~~
- 631 (2) The office shall submit a copy of each issue of the bulletin to the committee.
- 632 (3)(a) The committee shall:
- 633 (i) exercise continuous oversight of the administrative rulemaking process [~~under~~
 634 described in Title 63G, Chapter 3, Utah Administrative Rulemaking Act[;] ; and[
 635 ~~shall,~~
- 636 (ii) for each general session of the Legislature, request legislation that considers
 637 legislative reauthorization of agency rules as [~~provided under~~] described in Section
 638 63G-3-502.
- 639 (b) The committee shall examine each agency rule, including any agency rule made
 640 according to the emergency rulemaking procedure described in Section 63G-3-304,

- 641 submitted by an agency to determine:
- 642 (i) whether the agency rule is authorized by statute;
- 643 (ii) whether the agency rule complies with legislative intent;
- 644 (iii) the agency rule's impact on the economy and the government operations of the
- 645 state and local political subdivisions;
- 646 (iv) the agency rule's impact on affected persons;
- 647 (v) the agency rule's total cost to entities regulated by the state;
- 648 (vi) the agency rule's benefit to the citizens of the state; and
- 649 (vii) whether adoption of the agency rule requires legislative review or approval.
- 650 (c) The committee may examine and review:
- 651 (i) any executive order, including an order issued [pursuant to] under Title 53,
- 652 Chapter 2a, Part 2, Disaster Response and Recovery Act;
- 653 (ii) any public health order issued during a public health emergency declared in
- 654 accordance with Title 26A, Local Health Authorities, or Title 26B, Utah Health
- 655 and Human Services Code;
- 656 (iii) any agency action or policy that:
- 657 (A) affects a class of persons other than the agency; or
- 658 (B) is contrary to legislative intent;
- 659 (iv) in accordance with [Subsection (10);] Section 36-35-102.5:
- 660 (A) an individual child welfare case; or
- 661 [(v)] (B) [in accordance with Subsection (11);] information from an agency that is
- 662 subject to a confidentiality agreement[-] ; or
- 663 (v) any legislative issue.
- 664 (d) If the committee chooses to examine or review an order or policy described in
- 665 Subsection (3)(c), the agency that issued the order or policy shall, upon request by
- 666 the committee, provide to the committee:
- 667 (i) a copy of the order or policy; and
- 668 (ii) information related to the order or policy.
- 669 (e) The committee shall review court rules as provided in Section 36-35-103 and Section
- 670 36-35-104.
- 671 (f) The committee may close a meeting in accordance with Section 36-35-102.5.
- 672 (4)(a) To carry out the requirements of Subsection (3), the committee may examine any
- 673 other issues that the committee considers necessary.
- 674 (b) Notwithstanding anything to the contrary in this section, the committee may not

- 675 examine the internal policies, procedures, or practices of an agency or judicial branch
676 entity.
- 677 (c) In reviewing a rule, the committee shall follow generally accepted principles of
678 statutory construction.
- 679 (5) When the committee reviews an existing rule, the committee chairs:
- 680 (a) shall invite the Senate and House chairs of the standing committee and of the
681 appropriation subcommittee that have jurisdiction over the agency or judicial branch
682 entity whose existing rule is being reviewed to participate as nonvoting, ex officio
683 members with the committee during the review of the rule; and
- 684 (b) may notify and refer the rule to the chairs of the interim committee that has
685 jurisdiction over a particular agency or judicial branch entity when the committee
686 determines that an issue involved in the rule may be more appropriately addressed by
687 that committee.
- 688 (6) The committee may request that the Office of the Legislative Fiscal Analyst prepare a
689 fiscal note on any rule or proposal for court rule.
- 690 (7) In order to accomplish the committee's functions described in this chapter, the
691 committee has all the powers granted to legislative interim committees under Section
692 36-12-11.
- 693 (8)(a) The committee may prepare written findings of the committee's review of a rule,
694 proposal for court rule, policy, practice, ~~[or]~~ procedure, or legislative issue and may
695 include any recommendation, including:
- 696 (i) legislative action;
- 697 (ii) action by a standing committee or interim committee;
- 698 (iii) agency rulemaking action;
- 699 (iv) Supreme Court rulemaking action; or
- 700 (v) Judicial Council rulemaking action.
- 701 (b) When the committee reviews a rule, the committee shall provide to the agency or
702 judicial branch entity that enacted the rule:
- 703 (i) the committee's findings, if any; and
- 704 (ii) a request that the agency or judicial branch entity notify the committee of any
705 changes the agency or judicial branch entity makes to the rule.
- 706 (c) The committee shall provide a copy of the committee's findings described in
707 Subsection (8)(a), if any, to:
- 708 (i) any member of the Legislature, upon request;

- 709 (ii) any person affected by the rule, upon request;
- 710 (iii) the president of the Senate;
- 711 (iv) the speaker of the House of Representatives;
- 712 (v) the Senate and House chairs of the standing committee that has jurisdiction over
- 713 the agency or judicial branch entity whose rule, policy, practice, or procedure is
- 714 the subject of the finding;
- 715 (vi) the Senate and House chairs of the appropriation subcommittee that has
- 716 jurisdiction over the agency or judicial branch entity that made the rule;
- 717 (vii) the governor; and
- 718 (viii) if the findings involve a court rule or judicial branch entity:
- 719 (A) the Judiciary Interim Committee;
- 720 (B) the Supreme Court; and
- 721 (C) the Judicial Council.
- 722 (9)(a)(i) The committee may submit a report on the committee's review under this
- 723 section to each member of the Legislature at each regular session.
- 724 (ii) The report shall include:
- 725 (A) any finding or recommendation the committee made under Subsection (8);
- 726 (B) any action an agency, the Supreme Court, or the Judicial Council took in
- 727 response to a committee recommendation; and
- 728 (C) any recommendation by the committee for legislation.
- 729 (b) If the committee receives a recommendation not to reauthorize an agency rule, as
- 730 described in Subsection 63G-3-301(13)(b), and the committee recommends to the
- 731 Legislature reauthorization of the agency rule, the committee shall submit a report to
- 732 each member of the Legislature detailing the committee's decision.
- 733 (c) The committee may open a committee bill file to draft legislation by:
- 734 (i) committee vote; or
- 735 (ii) the House and Senate chairs agreeing to open a committee bill file if:
- 736 (A) the committee has voted to grant the chairs the ability to open committee bill
- 737 files in the first meeting of the committee after the Legislature has adjourned
- 738 sine die from the annual general session; and
- 739 (B) the chairs open a committee bill during the calendar year in which the vote
- 740 described in Subsection (9)(c)(ii)(A) has occurred.
- 741 (d) Notwithstanding any provision of legislative rules, the committee may open any
- 742 number of committee bill files.

- 743 (10) Upon a majority vote of the committee, the committee may recommend that the Audit
 744 Subcommittee prioritize an audit of an issue heard by the committee.
- 745 ~~[(10) Notwithstanding any other provision of this section, when reviewing and discussing~~
 746 ~~an individual child welfare case under Subsection (3)(e)(iv):]~~
- 747 ~~[(a) the committee:]~~
- 748 ~~[(i) shall close the committee's meeting in accordance with Title 52, Chapter 4, Open~~
 749 ~~and Public Meetings Act;]~~
- 750 ~~[(ii) shall make reasonable efforts to identify and consider the concerns of all parties~~
 751 ~~to the case; and]~~
- 752 ~~[(iii) may not make recommendations to the court, the division, or any other public~~
 753 ~~or private entity regarding the disposition of an individual child welfare case;]~~
- 754 ~~[(b) a record of the committee regarding an individual child welfare case:]~~
- 755 ~~[(i) is classified as private under Section 63G-2-302; and]~~
- 756 ~~[(ii) may be disclosed only in accordance with federal law and Title 63G, Chapter 2,~~
 757 ~~Government Records Access and Management Act; and]~~
- 758 ~~[(e) any documents received by the committee from the Division of Child and Family~~
 759 ~~Services shall maintain the same classification under Title 63G, Chapter 2,~~
 760 ~~Government Records Access and Management Act, that was designated by the~~
 761 ~~Division of Child and Family Services.]~~
- 762 ~~[(11) Notwithstanding any other provision of this section, when reviewing information~~
 763 ~~described in Subsection (3)(e)(v):]~~
- 764 ~~[(a) the committee shall close the committee's meeting in accordance with Title 52,~~
 765 ~~Chapter 4, Open and Public Meetings Act;]~~
- 766 ~~[(b) a record of the committee regarding the information:]~~
- 767 ~~[(i) is classified as private under Section 63G-2-302; and]~~
- 768 ~~[(ii) may be disclosed only in accordance with federal law and Title 63G, Chapter 2,~~
 769 ~~Government Records Access and Management Act; and]~~
- 770 ~~[(e) any documents received by the committee when reviewing the information shall~~
 771 ~~maintain the same classification under Title 63G, Chapter 2, Government Records~~
 772 ~~Access and Management Act, that was designated by the government entity.]~~
- 773 Section 9. Section **36-35-102.5** is enacted to read:
- 774 **36-35-102.5 (Effective 05/06/26). Closed meeting authorized.**
- 775 (1) When reviewing and discussing an individual child welfare case:
- 776 (a) the committee:

- 777 (i) shall close the committee's meeting in accordance with Title 52, Chapter 4, Open
778 and Public Meetings Act;
- 779 (ii) shall make reasonable efforts to identify and consider the concerns of all parties
780 to the case; and
- 781 (iii) may not make recommendations to the court, the division, or any other public or
782 private entity regarding the disposition of an individual child welfare case;
- 783 (b) a record of the committee regarding an individual child welfare case:
- 784 (i) is classified as private under Section 63G-2-302; and
- 785 (ii) may be disclosed only in accordance with federal law and Title 63G, Chapter 2,
786 Government Records Access and Management Act; and
- 787 (c) any documents received by the committee from the Division of Child and Family
788 Services shall maintain the same classification under Title 63G, Chapter 2,
789 Government Records Access and Management Act, that was designated by the
790 Division of Child and Family Services.
- 791 (2) When reviewing information subject to a confidentiality agreement:
- 792 (a) the committee shall close the committee's meeting in accordance with Title 52,
793 Chapter 4, Open and Public Meetings Act;
- 794 (b) a record of the committee regarding the information:
- 795 (i) is classified as private under Section 63G-2-302; and
- 796 (ii) may be disclosed only in accordance with federal law and Title 63G, Chapter 2,
797 Government Records Access and Management Act; and
- 798 (c) any documents received by the committee when reviewing the information shall
799 maintain the same classification under Title 63G, Chapter 2, Government Records
800 Access and Management Act, that was designated by the government entity
801 providing the documents.
- 802 (3)(a) The committee may close a committee meeting in accordance with Title 52,
803 Chapter 4, Open and Public Meetings Act, if the committee is reviewing a matter
804 subject to litigation or a whistleblower complaint.
- 805 (b) If the meeting is closed under Subsection (3)(a):
- 806 (i) the record of the committee related to the matter subject to litigation or
807 whistleblower complaint:
- 808 (A) is classified as private under Section 63G-2-302; and
- 809 (B) may be disclosed only in accordance with federal law and Title 63G, Chapter
810 2, Government Records Access and Management Act; and

- 811 (ii) any documents or materials received by the committee when reviewing the matter
 812 subject to litigation or whistleblower shall:
 813 (A) except as provided in Subsection (3)(b)(ii)(B), be classified as private; or
 814 (B) maintain the same classification under Title 63G, Chapter 2, Government
 815 Records Access and Management Act, that was designated by a government
 816 entity providing the documents or materials.

817 Section 10. Section **52-4-205** is amended to read:

818 **52-4-205 (Effective 05/06/26). Purposes of closed meetings -- Certain issues**
 819 **prohibited in closed meetings.**

- 820 (1) A closed meeting described under Section 52-4-204 may only be held for:
- 821 (a) except as provided in Subsection (3), discussion of the character, professional
 822 competence, or physical or mental health of an individual;
- 823 (b) strategy sessions to discuss collective bargaining;
- 824 (c) strategy sessions to discuss pending or reasonably imminent litigation;
- 825 (d) strategy sessions to discuss the purchase, exchange, or lease of real property,
 826 including any form of a water right or water shares, or to discuss a proposed
 827 development agreement, project proposal, or financing proposal related to the
 828 development of land owned by the state or a political subdivision, if public
 829 discussion would:
- 830 (i) disclose the appraisal or estimated value of the property under consideration; or
 831 (ii) prevent the public body from completing the transaction on the best possible
 832 terms;
- 833 (e) strategy sessions to discuss the sale of real property, including any form of a water
 834 right or water shares, if:
- 835 (i) public discussion of the transaction would:
- 836 (A) disclose the appraisal or estimated value of the property under consideration;
 837 or
- 838 (B) prevent the public body from completing the transaction on the best possible
 839 terms;
- 840 (ii) the public body previously gave public notice that the property would be offered
 841 for sale; and
- 842 (iii) the terms of the sale are publicly disclosed before the public body approves the
 843 sale;
- 844 (f) discussion regarding deployment of security personnel, devices, or systems;

- 845 (g) investigative proceedings regarding allegations of criminal misconduct;
- 846 (h) as relates to the Independent Legislative Ethics Commission, conducting business
847 relating to the receipt or review of ethics complaints;
- 848 (i) as relates to an ethics committee of the Legislature, a purpose permitted under
849 Section 52-4-204;
- 850 (j) as relates to the Independent Executive Branch Ethics Commission created in Section
851 63A-14-202, conducting business relating to an ethics complaint;
- 852 (k) as relates to a county legislative body, discussing commercial information as defined
853 in Section 59-1-404;
- 854 (l) as relates to the Utah Higher Education Savings Board of Trustees and its appointed
855 board of directors, discussing fiduciary or commercial information;
- 856 (m) deliberations, not including any information gathering activities, of a public body
857 acting in the capacity of:
- 858 (i) an evaluation committee under Title 63G, Chapter 6a, Utah Procurement Code,
859 during the process of evaluating responses to a solicitation, as defined in Section
860 63G-6a-103;
- 861 (ii) a protest officer, defined in Section 63G-6a-103, during the process of making a
862 decision on a protest under Title 63G, Chapter 6a, Part 16, Protests; or
- 863 (iii) a procurement appeals panel under Title 63G, Chapter 6a, Utah Procurement
864 Code, during the process of deciding an appeal under Title 63G, Chapter 6a, Part
865 17, Procurement Appeals Board;
- 866 (n) the purpose of considering information that is designated as a trade secret, as defined
867 in Section 13-24-2, if the public body's consideration of the information is necessary
868 to properly conduct a procurement under Title 63G, Chapter 6a, Utah Procurement
869 Code;
- 870 (o) the purpose of discussing information provided to the public body during the
871 procurement process under Title 63G, Chapter 6a, Utah Procurement Code, if, at the
872 time of the meeting:
- 873 (i) the information may not, under Title 63G, Chapter 6a, Utah Procurement Code, be
874 disclosed to a member of the public or to a participant in the procurement process;
875 and
- 876 (ii) the public body needs to review or discuss the information to properly fulfill its
877 role and responsibilities in the procurement process;
- 878 (p) as relates to the governing board of a governmental nonprofit corporation, as that

- 879 term is defined in Section 11-13a-102, the purpose of discussing information that is
 880 designated as a trade secret, as that term is defined in Section 13-24-2, if:
- 881 (i) public knowledge of the discussion would reasonably be expected to result in
 882 injury to the owner of the trade secret; and
 - 883 (ii) discussion of the information is necessary for the governing board to properly
 884 discharge the board's duties and conduct the board's business;
- 885 (q) as it relates to the Cannabis Production Establishment Licensing Advisory Board, to
 886 review confidential information regarding violations and security requirements in
 887 relation to the operation of cannabis production establishments;
- 888 (r) considering a loan application, if public discussion of the loan application would
 889 disclose:
- 890 (i) nonpublic personal financial information; or
 - 891 (ii) a nonpublic trade secret, as defined in Section 13-24-2, or nonpublic business
 892 financial information the disclosure of which would reasonably be expected to
 893 result in unfair competitive injury to the person submitting the information;
- 894 (s) a discussion of the board of the Point of the Mountain State Land Authority, created
 895 in Section 11-59-201, regarding a potential tenant of point of the mountain state land,
 896 as defined in Section 11-59-102; [~~or~~]
- 897 (t) as relates to the General Oversight Committee, discussing matters subject to litigation
 898 and whistleblower complaints as described in Subsection 36-35-102.5(3); or
- 899 [~~(t)~~] (u) a purpose for which a meeting is required to be closed under Subsection (2).
- 900 (2) The following meetings shall be closed:
- 901 (a) a meeting of the Health and Human Services Interim Committee to review a report
 902 described in Subsection 26B-1-506(1)(a), and a response to the report described in
 903 Subsection 26B-1-506(2);
 - 904 (b) a meeting of the Child Welfare Legislative Oversight Panel to:
 - 905 (i) review a report described in Subsection 26B-1-506(1)(a), and a response to the
 906 report described in Subsection 26B-1-506(2); or
 - 907 (ii) review and discuss an individual case, as described in Section 36-33-103;
 - 908 (c) a meeting of a conservation district as defined in Section 17D-3-102 for the purpose
 909 of advising the Natural Resource Conservation Service of the United States
 910 Department of Agriculture on a farm improvement project if the discussed
 911 information is protected information under federal law;
 - 912 (d) a meeting of the Compassionate Use Board established in Section 26B-1-421 for the

- 913 purpose of reviewing petitions for a medical cannabis card in accordance with
914 Section 26B-1-421;
- 915 (e) a meeting of the Colorado River Authority of Utah if:
- 916 (i) the purpose of the meeting is to discuss an interstate claim to the use of the water
917 in the Colorado River system; and
- 918 (ii) failing to close the meeting would:
- 919 (A) reveal the contents of a record classified as protected under Subsection
920 63G-2-305(81);
- 921 (B) reveal a legal strategy relating to the state's claim to the use of the water in the
922 Colorado River system;
- 923 (C) harm the ability of the Colorado River Authority of Utah or river
924 commissioner to negotiate the best terms and conditions regarding the use of
925 water in the Colorado River system; or
- 926 (D) give an advantage to another state or to the federal government in negotiations
927 regarding the use of water in the Colorado River system;
- 928 (f) a meeting of the General Regulatory Sandbox Program Advisory Committee if:
- 929 (i) the purpose of the meeting is to discuss an application for participation in the
930 regulatory sandbox as defined in Section 63N-16-102; and
- 931 (ii) failing to close the meeting would reveal the contents of a record classified as
932 protected under Subsection 63G-2-305(82);
- 933 (g) a meeting of a project entity if:
- 934 (i) the purpose of the meeting is to conduct a strategy session to discuss market
935 conditions relevant to a business decision regarding the value of a project entity
936 asset if the terms of the business decision are publicly disclosed before the
937 decision is finalized and a public discussion would:
- 938 (A) disclose the appraisal or estimated value of the project entity asset under
939 consideration; or
- 940 (B) prevent the project entity from completing on the best possible terms a
941 contemplated transaction concerning the project entity asset;
- 942 (ii) the purpose of the meeting is to discuss a record, the disclosure of which could
943 cause commercial injury to, or confer a competitive advantage upon a potential or
944 actual competitor of, the project entity;
- 945 (iii) the purpose of the meeting is to discuss a business decision, the disclosure of
946 which could cause commercial injury to, or confer a competitive advantage upon a

- 947 potential or actual competitor of, the project entity; or
- 948 (iv) failing to close the meeting would prevent the project entity from getting the best
- 949 price on the market; and
- 950 (h) a meeting of the [~~Rules Review and General Oversight~~] General Oversight
- 951 Committee to review and discuss:
- 952 (i) an individual child welfare case as described in Subsection 36-35-102(3)(c); or
- 953 (ii) information that is subject to a confidentiality agreement as described in
- 954 Subsection 36-35-102(3)(c).
- 955 (3) In a closed meeting, a public body may not:
- 956 (a) interview a person applying to fill an elected position;
- 957 (b) discuss filling a midterm vacancy or temporary absence governed by Title 20A,
- 958 Chapter 1, Part 5, Candidate Vacancy and Vacancy and Temporary Absence in
- 959 Elected Office; or
- 960 (c) discuss the character, professional competence, or physical or mental health of the
- 961 person whose name was submitted for consideration to fill a midterm vacancy or
- 962 temporary absence governed by Title 20A, Chapter 1, Part 5, Candidate Vacancy and
- 963 Vacancy and Temporary Absence in Elected Office.
- 964 Section 11. Section **53E-3-525** is amended to read:
- 965 **53E-3-525 (Effective 05/06/26). State board transparency.**
- 966 (1) Beginning January 1, 2027, the state board shall:
- 967 (a) publish on the state board's website a record of each vote by the state board,
- 968 including:
- 969 (i) the date, time, and place of the meeting;
- 970 (ii) the subject of the vote;
- 971 (iii) the names of state board members present and absent;
- 972 (iv) the result of the vote, including each board member's individual vote; and
- 973 (v) the audio or video associated with the vote;
- 974 (b) distribute a contract the state board intends to consider at a meeting to each state
- 975 board member at least five days before the date on which the meeting is scheduled to
- 976 occur;
- 977 (c) ensure the information described in Subsection (1)(a) is accessible through a single
- 978 click from the state board's home webpage; and
- 979 (d) post the information required by Subsection (1)(a) within seven business days after a
- 980 vote.

981 (2) In accordance with Title 36, Chapter 35, [~~Rules Review and General Oversight~~] General
982 Oversight Committee, the [~~Rules Review and General Oversight~~] General Oversight
983 Committee may request a report from the state board detailing the:

- 984 (a) implementation of the requirements of this section; and
985 (b) the state board's compliance with the requirements of this section.

986 Section 12. Section **53H-1-403** is amended to read:

987 **53H-1-403 (Effective 05/06/26). Other required reports to the Legislature or**
988 **state level entities.**

989 (1) The following entities shall submit reports to the Education Interim Committee as
990 described in each referenced section:

991 (a) the board shall submit:

992 (i) an annual report regarding the board's activities and performance against the
993 board's goals and metrics as described in Section 53H-1-203;

994 (ii) an annual report detailing the board's progress and recommendations on
995 workforce related issues as described in Section 53H-1-203;

996 (iii) a report regarding an institution compensating a student athlete for the use of the
997 student athlete's name, image, or likeness as described in Section 53H-6-202;

998 (iv) an annual report regarding the talent advisory councils as described in Section
999 53H-13-309;

1000 (b) the Office of Legislative Research and General Counsel shall provide a summary
1001 regarding the data collected from campus expression climate surveys as described in
1002 Section 53H-1-504;

1003 (c) the Utah Education and Telehealth Network shall provide an annual report as
1004 described in Section 53H-4-213.7;

1005 (d) an institution with and without housing facilities shall provide an annual report
1006 regarding crime statistics as described in Section 53H-7-603;

1007 (e) the Center for Civic Excellence at Utah State University shall provide a report before
1008 July 1, 2029, regarding implementation as described in Section 53H-4-307.6;

1009 (f) the Rocky Mountain Center for Occupational and Environmental Health Advisory
1010 Board shall provide by July 1 each year a report as described in Section 53H-5-205;

1011 (g) the Utah Data Research Center shall provide an annual report as described in Section
1012 53H-15-303;

1013 (h) the Higher Education and Corrections Council shall provide an annual report as
1014 described in Section 53H-1-604; and

- 1015 (i) the commissioner shall provide, in collaboration with the entities described in
1016 Subsection 53H-13-405(1), an annual report regarding the cooperative education
1017 program as described in Section 53H-13-407.
- 1018 (2) The following entities shall submit reports to the Executive Appropriations Committee
1019 as described in each referenced section:
- 1020 (a) the board shall submit:
- 1021 (i) in the September 2025 meeting, a report regarding institutions' strategic
1022 reinvestment plans as described in Section 53H-8-210; and
- 1023 (ii) in the September 2026 and 2027 meetings, a report regarding the progress of
1024 institutions in executing the institutions' strategic reinvestment plan as described
1025 in Section 53H-8-210; and
- 1026 (b) the Nucleus Institute shall provide an annual report as described in Section
1027 53H-16-406.
- 1028 (3) The following entities shall submit reports to the Natural Resources, Agriculture, and
1029 Environment Interim Committee as described in each referenced section:
- 1030 (a) the Utah State University Bingham Entrepreneurship and Energy Research Center
1031 shall annually report as described in Section 53H-4-316; and
- 1032 (b) the Utah State University Food Security Council shall prepare and submit an annual
1033 written report as described in Section 53H-4-313.
- 1034 (4) The following entities shall submit reports to the Economic Development and
1035 Workforce Services Interim Committee as described in each referenced section:
- 1036 (a) the commissioner shall provide, in collaboration with the entities described in
1037 Subsection 53H-13-405(1), an annual report regarding the cooperative education
1038 program as described in Section 53H-13-407;
- 1039 (b) Utah State University shall provide a report every three years regarding the remote
1040 online opportunities program as described in Section 53H-4-312;
- 1041 (c) the Utah State University Food Security Council shall prepare and submit an annual
1042 written report as described in Section 53H-4-313; and
- 1043 (d) the Nucleus Institute shall provide an annual report as described in Section
1044 53H-16-406.
- 1045 (5) The ASPIRE Engineering Research Center at Utah State University shall provide an
1046 annual report to the Transportation and Infrastructure Appropriations Subcommittee as
1047 described in Section 53H-4-306.6.
- 1048 (6) The Utah Data Research Center shall provide an annual report to the Business and

- 1049 Labor Interim Committee as described in Section 53H-15-305.
- 1050 (7) The board shall provide the following reports to state agencies and departments as
1051 described in each referenced section:
- 1052 (a) to the Division of Facilities Construction and Management and others upon request,
1053 an annual technical college lease report as described in Section 53H-9-602;
- 1054 (b) to the Department of Veterans and Military Affairs, an annual report regarding
1055 number of credits awarded as described in Section 53H-3-703; and
- 1056 (c) to the [~~Rules Review and General Oversight~~] General Oversight Committee, an
1057 annual report regarding civil liberties complaints as described in Section 53H-7-303.
- 1058 (8) The board shall provide to the general session of the Legislature for budget
1059 recommendation purposes an annual report regarding:
- 1060 (a) waivers of tuition as described in Section 53H-11-307; and
1061 (b) nonresident tuition scholarships as described in Section 53H-11-405.
- 1062 (9) An institution shall provide the following reports as described in each referenced
1063 section:
- 1064 (a) to the institution's governing board and published on the governing board's website,
1065 the institution's required prohibited submissions described in Section 53H-1-502;
- 1066 (b) to the board, disclosures of foreign gifts received as described in Section 53H-8-503;
- 1067 (c) for a qualifying institution, to the board annually regarding the faculty incentive
1068 component of the Engineering and Computer Science Initiative as described in
1069 Section 53H-1-603;
- 1070 (d) for a degree-granting institution:
- 1071 (i) to the board annually regarding post-tenured data as described in Section
1072 53H-3-406;
- 1073 (ii) to the board annually regarding technical education as described in Section
1074 53H-3-609;
- 1075 (e) for a technical college:
- 1076 (i) to the board annually regarding secondary student needs and access to programs as
1077 described in Section 53H-3-1203;
- 1078 (ii) to the board annually regarding annual leases as described in Section 53H-9-602;
- 1079 (f) on a date the board determines for 2026 and 2027, regarding the institution's progress
1080 in executing the institution's strategic reinvestment plan as described in Section
1081 53H-8-210;
- 1082 (g) in accordance with rules the board establishes, to the board annually regarding the

- 1083 Opportunity scholarships awarded as described in Section 53H-11-402;
- 1084 (h) in accordance with rules the board establishes, reports related to the promise grants
- 1085 as described in Section 53H-11-414;
- 1086 (i) to the board annually regarding credit for prior learning as described in Section
- 1087 53H-3-702; and
- 1088 (j) for an institution with or without housing facilities, an annual report regarding crime
- 1089 statistics to the Law Enforcement and Criminal Justice Interim Committee as
- 1090 described in Section 53H-7-603.
- 1091 (10) An institution's board of trustees shall provide to the board annually a report regarding
- 1092 any approved contracts or grants as described in Section 53H-8-208.
- 1093 (11) The commissioner shall provide the following reports as described in each referenced
- 1094 section:
- 1095 (a) an annual summary report regarding institutional matches for the faculty incentive
- 1096 component of the Engineering and Computer Science Initiative as described in
- 1097 Section 53H-1-603; and
- 1098 (b) in collaboration with the entities described in Subsection 53H-13-405(1), an annual
- 1099 report regarding the cooperative education program as described in Section
- 1100 53H-13-407 to the Talent, Education, and Industry Alignment Board and the board.
- 1101 (12) The Talent Ready Utah Program shall provide an annual report to the board as
- 1102 described in Section 53H-13-304.
- 1103 (13) The Utah Works Program shall provide an annual report to the board as described in
- 1104 Section 53H-13-307.
- 1105 (14) The University of Utah shall provide an annual report to the governor regarding the
- 1106 engineering experiment station as described in Section 53H-4-208.
- 1107 (15) The Center for Civic Excellence at Utah State University vice provost shall annually
- 1108 report to the provost, the president of the institution, and the commissioner as described
- 1109 in Section 53H-4-307.6.

1110 Section 13. Section **53H-7-303** is amended to read:

1111 **53H-7-303 (Effective 05/06/26). Complaint process -- Reporting.**

- 1112 (1) The board shall make rules in accordance with Title 63G, Chapter 3, Utah
- 1113 Administrative Rulemaking Act, establishing a procedure whereby a student enrolled in
- 1114 an institution may submit a complaint to the board alleging a policy of the institution
- 1115 directly affects one or more of the student's civil liberties.
- 1116 (2)(a) When a student submits a complaint in accordance with the rules adopted under

- 1117 Subsection (1), the board shall:
- 1118 (i) examine the complaint and, within 30 days after the day on which the board
1119 receives the complaint, determine whether the complaint is made in good faith; and
1120 (ii)(A) if the board determines that the complaint is made in good faith, direct the
1121 institution against which the complaint is made to initiate rulemaking
1122 proceedings for the challenged policy; or
1123 (B) if the board determines that the complaint is made in bad faith, dismiss the
1124 complaint.
- 1125 (b) Before November 30 of each year, the board shall submit a report to the [Rules
1126 Review and General Oversight] General Oversight Committee detailing:
- 1127 (i) the number of complaints the board received during the preceding year;
1128 (ii) the number of complaints the board found to be made in good faith during the
1129 preceding year; and
1130 (iii) each policy that is the subject of a good-faith complaint that the board received
1131 during the preceding year.
- 1132 (3) If the board directs an institution to initiate rulemaking proceedings for a challenged
1133 policy in accordance with this section, the institution shall initiate rulemaking
1134 proceedings for the policy within 60 days after the day on which the board directs the
1135 institution.
- 1136 Section 14. Section **54-17-701** is amended to read:
- 1137 **54-17-701 (Effective 05/06/26). Rules for carbon capture and geological storage.**
- 1138 (1) By January 1, 2011, the Division of Water Quality and the Division of Air Quality, on
1139 behalf of the Board of Water Quality and the Board of Air Quality, respectively, in
1140 collaboration with the commission and the Division of Oil, Gas, and Mining and the
1141 Utah Geological Survey, shall present recommended rules to the Legislature's [Rules
1142 Review and General Oversight] General Oversight Committee for the following in
1143 connection with carbon capture and accompanying geological sequestration of captured
1144 carbon:
- 1145 (a) site characterization approval;
1146 (b) geomechanical, geochemical, and hydrogeological simulation;
1147 (c) risk assessment;
1148 (d) mitigation and remediation protocols;
1149 (e) issuance of permits for test, injection, and monitoring wells;
1150 (f) specifications for the drilling, construction, and maintenance of wells;

- 1151 (g) issues concerning ownership of subsurface rights and pore space;
 1152 (h) allowed composition of injected matter;
 1153 (i) testing, monitoring, measurement, and verification for the entirety of the carbon
 1154 capture and geologic sequestration chain of operations, from the point of capture of
 1155 the carbon dioxide to the sequestration site;
 1156 (j) closure and decommissioning procedure;
 1157 (k) short- and long-term liability and indemnification for sequestration sites;
 1158 (l) conversion of enhanced oil recovery operations to carbon dioxide geological
 1159 sequestration sites; and
 1160 (m) other issues as identified.
- 1161 (2) The entities listed in Subsection (1) shall report to the Legislature's [~~Rules Review and~~
 1162 ~~General Oversight~~] General Oversight Committee any proposals for additional statutory
 1163 changes needed to implement rules contemplated under Subsection (1).
- 1164 (3) On or before July 1, 2009, the entities listed in Subsection (1) shall submit to the
 1165 Legislature's Public Utilities, Energy, and Technology and Natural Resources,
 1166 Agriculture, and Environment Interim Committees a progress report on the development
 1167 of the recommended rules required by this part.
- 1168 (4) The recommended rules developed under this section apply to the injection of carbon
 1169 dioxide and other associated injectants in allowable types of geological formations for
 1170 the purpose of reducing emissions to the atmosphere through long-term geological
 1171 sequestration as required by law or undertaken voluntarily or for subsequent beneficial
 1172 reuse.
- 1173 (5) The recommended rules developed under this section do not apply to the injection of
 1174 fluids through the use of Class II injection wells as defined in 40 C.F.R. 144.6(b) for the
 1175 purpose of enhanced hydrocarbon recovery.
- 1176 (6) Rules recommended under this section shall:
- 1177 (a) ensure that adequate health and safety standards are met;
 1178 (b) minimize the risk of unacceptable leakage from the injection well and injection zone
 1179 for carbon capture and geologic sequestration; and
 1180 (c) provide adequate regulatory oversight and public information concerning carbon
 1181 capture and geologic sequestration.

1182 Section 15. Section **63A-5b-607** is amended to read:

1183 **63A-5b-607 (Effective 05/06/26). Health insurance requirements -- Penalties.**

- 1184 (1) As used in this section:

- 1185 (a) "Aggregate amount" means the dollar sum of all contracts, change orders, and
1186 modifications for a single project.
- 1187 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.
- 1188 (c) "Eligible employee" means an employee, as defined in Section 34A-2-104, who:
1189 (i) works at least 30 hours per calendar week; and
1190 (ii) meets the employer eligibility waiting period for qualified health insurance
1191 coverage provided by the employer.
- 1192 (d) "Health benefit plan" means:
1193 (i) the same as that term is defined in Section 31A-1-301; or
1194 (ii) an employee welfare benefit plan:
1195 (A) established under the Employee Retirement Income Security Act of 1974, 29
1196 U.S.C. Sec. 1001 et seq.;
1197 (B) for an employer with 100 or more employees; and
1198 (C) in which the employer establishes a self-funded or partially self-funded group
1199 health plan to provide medical care for the employer's employees and
1200 dependents of the employees.
- 1201 (e) "Qualified health insurance coverage" means the same as that term is defined in
1202 Section 26B-3-909.
- 1203 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.
- 1204 (g) "Third party administrator" or "administrator" means the same as that term is defined
1205 in Section 31A-1-301.
- 1206 (2) Except as provided in Subsection (3), the requirements of this section apply to:
1207 (a) a contractor of a design or construction contract with the division if the prime
1208 contract is in an aggregate amount of \$2,000,000 or more; and
1209 (b) a subcontractor of a contractor of a design or construction contract with the division
1210 if the subcontract is in an aggregate amount of \$1,000,000 or more.
- 1211 (3) The requirements of this section do not apply to a contractor or subcontractor if:
1212 (a) the application of this section jeopardizes the division's receipt of federal funds;
1213 (b) the contract is a sole source contract, as defined in Section 63G-6a-103; or
1214 (c) the contract is the result of an emergency procurement.
- 1215 (4) A person who intentionally uses a change order, contract modification, or multiple
1216 contracts to circumvent the requirements of this section is guilty of an infraction.
- 1217 (5)(a) A contractor that is subject to the requirements of this section shall:
1218 (i) make and maintain an offer of qualified health coverage for the contractor's

- 1219 eligible employees and the eligible employees' dependents; and
- 1220 (ii) submit to the director a written statement demonstrating that the contractor is in
- 1221 compliance with Subsection (5)(a)(i).
- 1222 (b) A statement under Subsection (5)(a)(ii):
- 1223 (i) shall be from:
- 1224 (A) an actuary selected by the contractor or the contractor's insurer;
- 1225 (B) an underwriter who is responsible for developing the employer group's
- 1226 premium rates; or
- 1227 (C) if the contractor provides a health benefit plan described in Subsection
- 1228 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and
- 1229 (ii) may not be created more than one year before the day on which the contractor
- 1230 submits the statement to the director.
- 1231 (c)(i) A contractor that provides a health benefit plan described in Subsection
- 1232 (1)(d)(ii) shall provide the actuary or underwriter selected by an administrator, as
- 1233 described in Subsection (5)(b)(i)(C), sufficient information to determine whether
- 1234 the contractor's contribution to the health benefit plan and the actuarial value of
- 1235 the health benefit plan meet the requirements of qualified health coverage.
- 1236 (ii) A contractor may not make a change to the contractor's contribution to the health
- 1237 benefit plan, unless the contractor provides notice to:
- 1238 (A) the actuary or underwriter selected by an administrator, as described in
- 1239 Subsection (5)(b)(i)(C), for the actuary or underwriter to update the written
- 1240 statement described in Subsection (5)(a) in compliance with this section; and
- 1241 (B) the division.
- 1242 (6)(a) A contractor that is subject to the requirements of this section shall:
- 1243 (i) ensure that each contract the contractor enters with a subcontractor that is subject
- 1244 to the requirements of this section requires the subcontractor to obtain and
- 1245 maintain an offer of qualified health coverage for the subcontractor's eligible
- 1246 employees and the eligible employees' dependents during the duration of the
- 1247 subcontract; and
- 1248 (ii) obtain from a subcontractor referred to in Subsection (6)(a)(i) a written statement
- 1249 demonstrating that the subcontractor offers qualified health coverage to eligible
- 1250 employees and eligible employees' dependents.
- 1251 (b) A statement under Subsection (6)(a)(ii):
- 1252 (i) shall be from:

- 1253 (A) an actuary selected by the subcontractor or the subcontractor's insurer;
- 1254 (B) an underwriter who is responsible for developing the employer group's
- 1255 premium rates; or
- 1256 (C) if the subcontractor provides a health benefit plan described in Subsection
- 1257 (1)(d)(ii), an actuary or underwriter selected by an administrator; and
- 1258 (ii) may not be created more than one year before the day on which the contractor
- 1259 obtains the statement from the subcontractor.
- 1260 (7)(a)(i) A contractor that fails to maintain an offer of qualified health coverage
- 1261 during the duration of the contract as required in this section is subject to penalties
- 1262 in accordance with administrative rules made by the division under this section, in
- 1263 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 1264 (ii) A contractor is not subject to penalties for the failure of a subcontractor to obtain
- 1265 and maintain an offer of qualified health coverage as required in this section.
- 1266 (b)(i) A subcontractor that fails to obtain and maintain an offer of qualified health
- 1267 coverage during the duration of the subcontract as required in this section is
- 1268 subject to penalties in accordance with administrative rules made by the division
- 1269 under this section, in accordance with Title 63G, Chapter 3, Utah Administrative
- 1270 Rulemaking Act.
- 1271 (ii) A subcontractor is not subject to penalties for the failure of a contractor to
- 1272 maintain an offer of qualified health coverage as required in this section.
- 1273 (8) The division shall make rules:
- 1274 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 1275 (b) in coordination with:
- 1276 (i) the Department of Environmental Quality in accordance with Section 19-1-206;
- 1277 (ii) the Department of Natural Resources in accordance with Section 79-2-404;
- 1278 (iii) a public transit district in accordance with Section 17B-2a-818.5;
- 1279 (iv) the State Capitol Preservation Board in accordance with Section 63O-2-403;
- 1280 (v) the Department of Transportation in accordance with Section 72-6-107.5; and
- 1281 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight
- 1282 Committee created under Section 36-35-102; and
- 1283 (c) that establish:
- 1284 (i) the requirements and procedures for a contractor and a subcontractor to
- 1285 demonstrate compliance with this section, including:
- 1286 (A) a provision that a contractor or subcontractor's compliance with this section is

- 1287 subject to an audit by the division or the Office of the Legislative Auditor
1288 General;
- 1289 (B) a provision that a contractor that is subject to the requirements of this section
1290 obtain a written statement as provided in Subsection (5); and
- 1291 (C) a provision that a subcontractor that is subject to the requirements of this
1292 section obtain a written statement as provided in Subsection (6);
- 1293 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally
1294 violates the provisions of this section, which may include:
- 1295 (A) a three-month suspension of the contractor or subcontractor from entering into
1296 a future contract with the state upon the first violation;
- 1297 (B) a six-month suspension of the contractor or subcontractor from entering into a
1298 future contract with the state upon the second violation;
- 1299 (C) an action for debarment of the contractor or subcontractor in accordance with
1300 Section 63G-6a-904 upon the third or subsequent violation; and
- 1301 (D) monetary penalties which may not exceed 50% of the amount necessary to
1302 purchase qualified health coverage for eligible employees and dependents of
1303 eligible employees of the contractor or subcontractor who were not offered
1304 qualified health coverage during the duration of the contract; and
- 1305 (iii) a website for the department to post the commercially equivalent benchmark for
1306 the qualified health coverage that is provided by the Department of Health and
1307 Human Services in accordance with Subsection 26B-3-909(2).
- 1308 (9) During the duration of a contract, the division may perform an audit to verify a
1309 contractor or subcontractor's compliance with this section.
- 1310 (10)(a) Upon the division's request, a contractor or subcontractor shall provide the
1311 division:
- 1312 (i) a signed actuarial certification that the coverage the contractor or subcontractor
1313 offers is qualified health coverage; or
- 1314 (ii) all relevant documents and information necessary for the division to determine
1315 compliance with this section.
- 1316 (b) If a contractor or subcontractor provides the documents and information described in
1317 Subsection (10)(a)(i), the Insurance Department shall assist the division in
1318 determining if the coverage the contractor or subcontractor offers is qualified health
1319 coverage.
- 1320 (11)(a)(i) In addition to the penalties imposed under Subsection (7), a contractor or

- 1321 subcontractor that intentionally violates the provisions of this section is liable to
1322 an eligible employee for health care costs that would have been covered by
1323 qualified health coverage.
- 1324 (ii) An employer has an affirmative defense to a cause of action under Subsection
1325 (11)(a)(i) if:
- 1326 (A) the employer relied in good faith on a written statement described in
1327 Subsection (5) or (6); or
- 1328 (B) the department determines that compliance with this section is not required
1329 under the provisions of Subsection (3).
- 1330 (b) An eligible employee has a private right of action against the employee's employer
1331 only as provided in this Subsection (11).
- 1332 (12) The director shall cause money collected from the imposition and collection of a
1333 penalty under this section to be deposited into the Medicaid Growth Reduction and
1334 Budget Stabilization Account created by Section 63J-1-315.
- 1335 (13) The failure of a contractor or subcontractor to provide qualified health coverage as
1336 required by this section:
- 1337 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,
1338 or contractor under:
- 1339 (i) Section 63G-6a-1602; or
- 1340 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and
- 1341 (b) may not be used by the procurement entity or a prospective bidder, offeror, or
1342 contractor as a basis for any action or suit that would suspend, disrupt, or terminate
1343 the design or construction.
- 1344 (14) An employer's waiting period for an employee to become eligible for qualified health
1345 coverage may not extend beyond the first day of the calendar month following 60 days
1346 after the day on which the employee is hired.
- 1347 (15) An administrator, including an administrator's actuary or underwriter, who provides a
1348 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage
1349 of a contractor or subcontractor who provides a health benefit plan described in
1350 Subsection (1)(d)(ii):
- 1351 (a) subject to Subsection [~~(H)(b)~~] (11)(a), is not liable for an error in the written
1352 statement, unless the administrator commits gross negligence in preparing the written
1353 statement;
- 1354 (b) is not liable for any error in the written statement if the administrator relied in good

1355 faith on information from the contractor or subcontractor; and
1356 (c) may require as a condition of providing the written statement that a contractor or
1357 subcontractor hold the administrator harmless for an action arising under this section.

1358 Section 16. Section **63A-13-202** is amended to read:

1359 **63A-13-202 (Effective 05/06/26). Duties and powers of inspector general and**
1360 **office.**

1361 (1) The inspector general of Medicaid services shall:

1362 (a) administer, direct, and manage the office;

1363 (b) inspect and monitor the following in relation to the state Medicaid program:

1364 (i) the use and expenditure of federal and state funds;

1365 (ii) the provision of health benefits and other services;

1366 (iii) implementation of, and compliance with, state and federal requirements; and

1367 (iv) records and recordkeeping procedures;

1368 (c) receive reports of potential fraud, waste, or abuse in the state Medicaid program;

1369 (d) investigate and identify potential or actual fraud, waste, or abuse in the state
1370 Medicaid program;

1371 (e) consult with the Centers for Medicaid and Medicare Services and other states to
1372 determine and implement best practices for:

1373 (i) educating and communicating with health care professionals and providers about
1374 program and audit policies and procedures;

1375 (ii) discovering and eliminating fraud, waste, and abuse of Medicaid funds; and

1376 (iii) differentiating between honest mistakes and intentional errors, or fraud, waste,
1377 and abuse, if the office enters into settlement negotiations with the provider or
1378 health care professional;

1379 (f) obtain, develop, and utilize computer algorithms to identify fraud, waste, or abuse in
1380 the state Medicaid program;

1381 (g) work closely with the fraud unit to identify and recover improperly or fraudulently
1382 expended Medicaid funds;

1383 (h) audit, inspect, and evaluate the functioning of the division for the purpose of making
1384 recommendations to the Legislature and the department to ensure that the state
1385 Medicaid program is managed:

1386 (i) in the most efficient and cost-effective manner possible; and

1387 (ii) in a manner that promotes adequate provider and health care professional
1388 participation and the provision of appropriate health benefits and services;

- 1389 (i) regularly advise the department and the division of an action that could be taken to
1390 ensure that the state Medicaid program is managed in the most efficient and
1391 cost-effective manner possible;
- 1392 (j) refer potential criminal conduct, relating to Medicaid funds or the state Medicaid
1393 program, to the fraud unit;
- 1394 (k) refer potential criminal conduct, including relevant data from the controlled
1395 substance database, relating to Medicaid fraud, to law enforcement in accordance
1396 with Title 58, Chapter 37f, Controlled Substance Database Act;
- 1397 (l) determine ways to:
- 1398 (i) identify, prevent, and reduce fraud, waste, and abuse in the state Medicaid
1399 program; and
- 1400 (ii) balance efforts to reduce costs and avoid or minimize increased costs of the state
1401 Medicaid program with the need to encourage robust health care professional and
1402 provider participation in the state Medicaid program;
- 1403 (m) recover improperly paid Medicaid funds;
- 1404 (n) track recovery of Medicaid funds by the state;
- 1405 (o) in accordance with Section 63A-13-502:
- 1406 (i) report on the actions and findings of the inspector general; and
1407 (ii) make recommendations to the Legislature and the governor;
- 1408 (p) provide training to:
- 1409 (i) agencies and employees on identifying potential fraud, waste, or abuse of
1410 Medicaid funds; and
- 1411 (ii) health care professionals and providers on program and audit policies and
1412 compliance; and
- 1413 (q) develop and implement principles and standards for the fulfillment of the duties of
1414 the inspector general, based on principles and standards used by:
- 1415 (i) the Federal Offices of Inspector General;
1416 (ii) the Association of Inspectors General; and
1417 (iii) the United States Government Accountability Office.
- 1418 (2)(a) The office may, in fulfilling the duties under Subsection (1), conduct a
1419 performance or financial audit of:
- 1420 (i) a state executive branch entity or a local government entity, including an entity
1421 described in Section 63A-13-301, that:
- 1422 (A) manages or oversees a state Medicaid program; or

1423 (B) manages or oversees the use or expenditure of state or federal Medicaid funds;
1424 or

1425 (ii) Medicaid funds received by a person by a grant from, or under contract with, a
1426 state executive branch entity or a local government entity.

1427 (b)(i) The office may not, in fulfilling the duties under Subsection (1), amend the
1428 state Medicaid program or change the policies and procedures of the state
1429 Medicaid program.

1430 (ii) The office shall identify conflicts between the state Medicaid plan, department
1431 administrative rules, Medicaid provider manuals, and Medicaid information
1432 bulletins and recommend that the department reconcile inconsistencies. If the
1433 department does not reconcile the inconsistencies, the office shall report the
1434 inconsistencies to the Legislature's [~~Rules Review and General Oversight~~] General
1435 Oversight Committee created in Section 36-35-102.

1436 (iii) Beginning July 1, 2013, the office shall review a Medicaid provider manual and
1437 a Medicaid information bulletin in accordance with Subsection (2)(b)(ii), prior to
1438 the department making the provider manual or Medicaid information bulletin
1439 available to the public.

1440 (c) Beginning July 1, 2013, the Department of Health and Human Services shall submit
1441 a Medicaid provider manual and a Medicaid information bulletin to the office for the
1442 review required by Subsection (2)(b)(ii) prior to releasing the document to the public.
1443 The department and the Office of Inspector General of Medicaid Services shall enter
1444 into a memorandum of understanding regarding the timing of the review process
1445 under Subsection (2)(b)(iii).

1446 (3)(a) The office shall, in fulfilling the duties under this section to investigate, discover,
1447 and recover fraud, waste, and abuse in the Medicaid program, apply the state
1448 Medicaid plan, department administrative rules, Medicaid provider manuals, and
1449 Medicaid information bulletins in effect at the time the medical services were
1450 provided.

1451 (b) A health care provider may rely on the policy interpretation included in a current
1452 Medicaid provider manual or a current Medicaid information bulletin that is available
1453 to the public.

1454 (4) The inspector general of Medicaid services, or a designee of the inspector general of
1455 Medicaid services within the office, may take a sworn statement or administer an oath.

1456 Section 17. Section **63A-13-305** is amended to read:

1457 **63A-13-305 (Effective 05/06/26). Audit and investigation procedures.**

1458 (1)(a) The office shall, in accordance with Section 63A-13-602, adopt administrative
 1459 rules in consultation with providers and health care professionals subject to audit and
 1460 investigation under this chapter to establish procedures for audits and investigations
 1461 that are fair and consistent with the duties of the office under this chapter.

1462 (b) If the providers and health care professionals do not agree with the rules proposed or
 1463 adopted by the office under Subsection (1)(a) or Section 63A-13-602, the providers
 1464 or health care professionals may:

1465 (i) request a hearing for the proposed administrative rule or seek any other remedies
 1466 under the provisions of Title 63G, Chapter 3, Utah Administrative Rulemaking
 1467 Act; and

1468 (ii) request a review of the rule by the Legislature's [~~Rules Review and General~~
 1469 ~~Oversight~~] General Oversight Committee created in Section 36-35-102.

1470 (2) The office shall notify and educate providers and health care professionals subject to
 1471 audit and investigation under this chapter of the providers' and health care professionals'
 1472 responsibilities and rights under the administrative rules adopted by the office under the
 1473 provisions of this section and Section 63A-13-602.

1474 Section 18. Section **63G-3-102** is amended to read:

1475 **63G-3-102 (Effective 05/06/26). Definitions.**

1476 As used in this chapter:

1477 (1) "Administrative record" means information an agency relies upon when making a rule
 1478 under this chapter including:

1479 (a) the proposed rule, change in the proposed rule, and the rule analysis form;

1480 (b) the public comment received and recorded by the agency during the public comment
 1481 period;

1482 (c) the agency's response to the public comment;

1483 (d) the agency's analysis of the public comment; and

1484 (e) the agency's report of the agency's decision-making process.

1485 (2)(a) "Agency" [~~includes~~] means:

1486 (i) [~~each~~] any state board, authority, commission, institution, department, division, or
 1487 officer; or

1488 (ii) any [~~other state government~~] entity that is authorized or required by law to make
 1489 rules, adjudicate, grant or withhold licenses, grant or withhold relief from legal
 1490 obligations, or perform other similar actions or duties delegated by law.

- 1491 (b) "Agency" does not include:
- 1492 (i) the Legislature;
- 1493 (ii) the Legislature's committees;
- 1494 (iii) the political subdivisions of the state; or
- 1495 (iv) the courts.
- 1496 (3) "Bulletin" means the Utah State Bulletin.
- 1497 (4) "Catchline" means a short summary of each section, [~~part,~~]rule, or title of the code that
- 1498 follows the section, [~~part,~~]rule, or title reference placed before the text of the rule and
- 1499 serves the same function as boldface in legislation as described in Section 68-3-13.
- 1500 (5) "Code" means the body of all effective rules as compiled and organized by the office
- 1501 and entitled "Utah Administrative Code."
- 1502 (6) "Department" means the Department of Government Operations created in Section
- 1503 63A-1-104.
- 1504 (7) "Director" means the director of the office.
- 1505 (8) "Effective" means operative and enforceable.
- 1506 (9) "Executive director" means the executive director of the department.
- 1507 (10) "File" means to submit a document to the office as prescribed by the office.
- 1508 (11) "Filing date" means the day and time the document is recorded as received by the
- 1509 office.
- 1510 (12) "Initiate rulemaking proceedings" means the agency's filing of a proposed rule for the
- 1511 purposes of publication in accordance with Subsection 63G-3-301(4).
- 1512 [~~(12)~~] (13) "Interested person" means any person affected by or interested in a proposed
- 1513 rule, amendment to an existing rule, or a nonsubstantive change made under Section
- 1514 63G-3-402.
- 1515 [~~(13)~~] (14) "Office" means the Office of Administrative Rules created in Section 63G-3-401.
- 1516 [~~(14)~~] (15) "Order" means an agency action that determines the legal rights, duties,
- 1517 privileges, immunities, or other interests of one or more specific persons, but not a class
- 1518 of persons.
- 1519 [~~(15)~~] (16) "Person" means any individual, partnership, corporation, association,
- 1520 governmental entity, or public or private organization of any character other than an
- 1521 agency.
- 1522 [~~(16)~~] (17) "Publication" or "publish" means making a rule available to the public by
- 1523 including the rule or a summary of the rule in the bulletin.
- 1524 [~~(17)~~] (18) "Publication date" means the inscribed date of the bulletin.

- 1525 [(18) "Register" may include an electronic database.]
- 1526 (19)(a) "Rule" means an agency's written statement that:
- 1527 (i) is explicitly or implicitly required by state or federal statute or other applicable
- 1528 law;
- 1529 (ii) implements or interprets a state or federal legal mandate; and
- 1530 (iii) applies to a class of persons or another agency.
- 1531 (b) "Rule" includes the amendment or repeal of an existing rule.
- 1532 (c) "Rule" does not mean:
- 1533 (i) orders;
- 1534 (ii) an agency's written statement that applies only to internal management and that
- 1535 does not restrict the legal rights of a public class of persons or another agency;
- 1536 (iii) the governor's executive orders or proclamations;
- 1537 (iv) opinions issued by the attorney general's office;
- 1538 (v) declaratory rulings issued by the agency according to Section 63G-4-503 except
- 1539 as required by Section 63G-3-201;
- 1540 (vi) rulings by an agency in adjudicative proceedings, except as required by
- 1541 Subsection 63G-3-201(6); or
- 1542 (vii) an agency written statement that is in violation of any state or federal law.
- 1543 (20) "Rule analysis" means the format prescribed by the office to summarize and analyze
- 1544 rules.
- 1545 (21) "Small business" means a business employing fewer than 50 persons.
- 1546 (22) "Substantial fiscal impact" means ~~[an-]~~ the anticipated ~~[fiscal impact]~~ cost of a proposed
- 1547 rule of at least \$2,000,000 over a five-year period as calculated under Subsection
- 1548 63G-3-301(8)(d).
- 1549 (23) "Substantive change" means a change in a rule that affects the application or results of
- 1550 agency actions.
- 1551 Section 19. Section **63G-3-201** is amended to read:
- 1552 **63G-3-201 (Effective 05/06/26). When rulemaking is required.**
- 1553 (1) Each agency shall:
- 1554 (a) maintain a current version of [its] the agency's rules; and
- 1555 (b) make [it] the rules available to the public for inspection during [its] the agency's
- 1556 regular business hours.
- 1557 (2)(a) An agency may take action if authorized implicitly or explicitly by statute.
- 1558 (b) In addition to other rulemaking required by law, each agency shall make rules when

- 1559 agency action:
- 1560 [~~(a)~~] (i) authorizes, requires, or prohibits an action;
- 1561 [~~(b)~~] (ii) provides or prohibits a material benefit; and
- 1562 [~~(c)~~] (iii) applies to a class of persons or another agency[~~; and~~] .
- 1563 [~~(d)~~ is explicitly or implicitly authorized by statute.]
- 1564 (3) Rulemaking is also required when an agency issues a written interpretation of a state or
- 1565 federal legal mandate.
- 1566 (4) Rulemaking is not required when:
- 1567 (a) agency action applies only to internal agency management, inmates or residents of a
- 1568 state correctional, diagnostic, or detention facility, persons under state legal custody,
- 1569 patients admitted to a state hospital, members of the state retirement system, or,
- 1570 except as provided in Title 53H, Chapter 7, Part 3, Student Civil Liberties Protection,
- 1571 students enrolled in a state education institution;
- 1572 (b) a standardized agency manual applies only to internal fiscal or administrative details
- 1573 of governmental entities supervised under statute;
- 1574 (c) an agency issues policy or other statements that are advisory, informative, or
- 1575 descriptive, and do not conform to the requirements of Subsections (2) and (3); or
- 1576 (d) an agency makes nonsubstantive changes in a rule, except that the agency shall file
- 1577 all nonsubstantive changes in a rule with the office.
- 1578 (5)(a) A rule shall enumerate any penalty authorized by statute that may result from its
- 1579 violation, subject to Subsections (5)(b) and (c).
- 1580 (b) A violation of a rule may not be subject to the criminal penalty of a class C
- 1581 misdemeanor or greater offense, except as provided under Subsection (5)(c).
- 1582 (c) A violation of a rule may be subject to a class C misdemeanor or greater criminal
- 1583 penalty under Subsection (5)(a) when:
- 1584 (i) authorized by a specific state statute;
- 1585 (ii) a state law and programs under that law are established in order for the state to
- 1586 obtain or maintain primacy over a federal program; or
- 1587 (iii) state civil or criminal penalties established by state statute regarding the program
- 1588 are equivalent to or less than corresponding federal civil or criminal penalties.
- 1589 (6) Each agency shall enact rules incorporating the principles of law not already in [~~its~~] the
- 1590 agency's rules that are established by final adjudicative decisions within 120 days after
- 1591 the decision is announced in [~~its~~] the agency's cases.
- 1592 (7)(a) Each agency may enact a rule that incorporates by reference:

- 1593 (i) all or any part of another code, rule, or regulation that has been adopted by a
 1594 federal agency, an agency or political subdivision of this state, an agency of
 1595 another state, or by a nationally recognized organization or association;
 1596 (ii) state agency implementation plans mandated by the federal government for
 1597 participation in the federal program;
 1598 (iii) lists, tables, illustrations, or similar materials that are subject to frequent change,
 1599 fully described in the rule, and are available for public inspection; or
 1600 (iv) lists, tables, illustrations, or similar materials that the director determines are too
 1601 expensive to reproduce in the administrative code.
- 1602 (b) Rules incorporating materials by reference shall:
- 1603 (i) be enacted according to the procedures outlined in this chapter;
 1604 (ii) state that the referenced material is incorporated by reference;
 1605 (iii) state the date, issue, or version of the material being incorporated; and
 1606 (iv) define specifically what material is incorporated by reference and identify any
 1607 agency deviations from it.
- 1608 (c) The agency shall identify any substantive changes in the material incorporated by
 1609 reference by following the rulemaking procedures of this chapter.
- 1610 (d) The agency shall maintain a complete and current copy of the referenced material
 1611 available for public review at the agency and at the office.
- 1612 (8)(a) This chapter is not intended to inhibit the exercise of agency discretion within the
 1613 limits prescribed by statute or agency rule.
- 1614 (b) An agency may enact a rule creating a justified exception to a rule.
- 1615 (9) An agency may obtain assistance from the attorney general to ensure that its rules meet
 1616 legal and constitutional requirements.

1617 Section 20. Section **63G-3-202** is amended to read:

1618 **63G-3-202 (Effective 05/06/26). Rules having the effect of law.**

1619 A rule made in accordance with this chapter has the effect of law.

1620 [~~(1) An agency's written statement is a rule if it conforms to the definition of a rule under~~
 1621 ~~Section 63G-3-102, but the written statement is not enforceable unless it is made as a~~
 1622 ~~rule in accordance with the requirements of this chapter.]~~

1623 [~~(2) An agency's written statement that is made as a rule in accordance with the~~
 1624 ~~requirements of this chapter is enforceable and has the effect of law.]~~

1625 Section 21. Section **63G-3-301** is amended to read:

1626 **63G-3-301 (Effective 05/06/26). Rulemaking procedure.**

- 1627 (1) An agency authorized to make rules is also authorized to amend or repeal those rules.
- 1628 (2) Except as provided in Sections 63G-3-303 and 63G-3-304, when making, amending, or
1629 repealing a rule, agencies shall comply with:
- 1630 (a) the requirements of this section;
- 1631 (b) consistent procedures required by other statutes;
- 1632 (c) applicable federal mandates; and
- 1633 (d) rules made by the office to implement this chapter.
- 1634 (3) Subject to the requirements of this chapter, each agency shall develop and use flexible
1635 approaches in drafting rules that meet the needs of the agency and that involve persons
1636 affected by the agency's rules.
- 1637 (4)(a) Each agency shall file the agency's proposed rule and rule analysis with the office.
- 1638 (b) Rule amendments shall be marked with new language underlined and deleted
1639 language struck out.
- 1640 (c)(i) The office shall publish the information required under Subsection (8) on the
1641 rule analysis and the text of the proposed rule in the next issue of the bulletin.
- 1642 (ii) For rule amendments, only the section or subsection of the rule being amended
1643 need be printed.
- 1644 [~~(iii) If the director determines that the rule is too long to publish, the office shall
1645 publish the rule analysis and shall publish the rule by reference to a copy on file
1646 with the office.]~~
- 1647 (5) Before filing a proposed rule with the office, the agency shall conduct a thorough
1648 analysis, consistent with the criteria established by the Governor's Office of Planning
1649 and Budget, of the fiscal impact a rule may have on businesses, which criteria may
1650 include:
- 1651 (a) the type of industries that will be impacted by the proposed rule, and for each
1652 identified industry, an estimate of the total number of businesses within the industry,
1653 and an estimate of the number of those businesses that are small businesses;
- 1654 (b) the individual fiscal impact that would incur to a single business for a one-year
1655 period;
- 1656 (c) the aggregated total fiscal impact that would incur to all businesses within the state
1657 for a one-year period;
- 1658 (d) the total cost that would incur to all impacted entities over a five-year period; and
- 1659 (e) the department head's comments on the analysis.
- 1660 (6) If the agency reasonably expects that a proposed rule will have a measurable negative

- 1661 fiscal impact on small businesses, the agency shall consider, as allowed by federal law,
1662 each of the following methods of reducing the impact of the proposed rule on small
1663 businesses:
- 1664 (a) establishing less stringent compliance or reporting requirements for small businesses;
 - 1665 (b) establishing less stringent schedules or deadlines for compliance or reporting
1666 requirements for small businesses;
 - 1667 (c) consolidating or simplifying compliance or reporting requirements for small
1668 businesses;
 - 1669 (d) establishing performance standards for small businesses to replace design or
1670 operational standards required in the proposed rule; and
 - 1671 (e) exempting small businesses from all or any part of the requirements contained in the
1672 proposed rule.
- 1673 (7) If during the public comment period an agency receives comment that the proposed rule
1674 will cost small business more than one day's annual average gross receipts, and the
1675 agency had not previously performed the analysis in Subsection (6), the agency shall
1676 perform the analysis described in Subsection (6).
- 1677 (8) The rule analysis shall contain:
- 1678 (a) a summary of the [~~rule or change~~] proposed rule;
 - 1679 (b) the purpose of the proposed rule or reason for the change;
 - 1680 (c) the statutory authority or federal requirement for the proposed rule;
 - 1681 (d) the anticipated cost or savings to:
 - 1682 (i) the state budget;
 - 1683 (ii) local governments;
 - 1684 (iii) small businesses; and
 - 1685 (iv) persons other than small businesses, businesses, or local governmental entities;
 - 1686 (e) the compliance cost for affected persons;
 - 1687 (f) how interested persons may review the full text of the proposed rule;
 - 1688 (g) how interested persons may present their views on the proposed rule;
 - 1689 (h) the time and place of any scheduled public hearing;
 - 1690 (i) the name, email, and telephone number of an agency employee who may be
1691 contacted about the proposed rule;
 - 1692 (j) the name of the agency head or designee who authorized the proposed rule;
 - 1693 (k) the date on which the proposed rule may become effective following the public
1694 comment period;

- 1695 (l) the agency's analysis on the fiscal impact of the proposed rule as required under
 1696 Subsection (5);
- 1697 (m) any additional comments the department head may choose to submit regarding the
 1698 fiscal impact the proposed rule may have on businesses; and
- 1699 (n) if applicable, a summary of the agency's efforts to comply with the requirements of
 1700 Subsection (6).
- 1701 (9)(a) For a rule being repealed and [~~reenacted~~] readopted, the rule analysis shall contain
 1702 a summary that generally includes the following:
- 1703 (i) a summary of substantive provisions in the repealed rule which are eliminated
 1704 from the [~~enacted~~] adopted rule; and
- 1705 (ii) a summary of new substantive provisions appearing only in the [~~enacted~~] adopted
 1706 rule.
- 1707 (b) The summary required under this Subsection (9) is to aid in review and may not be
 1708 used to contest any rule on the ground of noncompliance with the procedural
 1709 requirements of this chapter.
- 1710 (10) An agency shall [~~mail~~] provide a copy of the rule analysis to a person that makes a
 1711 timely request of the agency for advance notice of the agency's rulemaking proceedings
 1712 and to any other person that, by statutory or federal mandate or in the judgment of the
 1713 agency, should also receive notice.
- 1714 (11)(a) Following the publication date, the agency shall allow at least 30 days for public
 1715 comment on the proposed rule.
- 1716 (b) The agency shall review and evaluate all public comments submitted in writing
 1717 within the time period under Subsection (11)(a) or presented at public hearings
 1718 conducted by the agency within the time period under Subsection (11)(a).
- 1719 (12)(a) Except as provided in [~~Sections~~] Section 63G-3-303, Section 63G-3-304, and
 1720 Section 63G-3-304.1, a proposed rule becomes effective on any date specified by the
 1721 agency that is:
- 1722 (i) no fewer than seven calendar days after the day on which the public comment
 1723 period closes under Subsection (11); [~~and~~]
- 1724 (ii) no more than 120 days after the day on which the rule is published[-]; and
- 1725 (iii) subject to Section 63G-3-304.2, after the day the governor:
- 1726 (A) approves the proposed rule by signing the proposed rule; and
- 1727 (B) holds a public hearing in accordance with Subsection 63G-3-302(5).
- 1728 (b) The agency shall provide notice of the rule's effective date to the office in the form

- 1729 required by the office.
- 1730 (c) The notice of effective date may not provide for an effective date before the day on
1731 which the office receives the notice.
- 1732 (d) The office shall publish notice of the effective date of the rule in the next issue of the
1733 bulletin.
- 1734 (e) A proposed rule lapses if a notice of effective date or a change to a proposed rule is
1735 not filed with the office within 120 days after the day on which the rule is published.
- 1736 (13)(a)(i) Before an agency [~~enacts~~] makes a proposed rule effective, the agency shall
1737 submit to the appropriations subcommittee and interim committee with
1738 jurisdiction over the agency the agency's proposed rule for review, if the proposed
1739 rule, over a five-year period, has [~~a fiscal impact~~] an anticipated cost, as calculated
1740 in Subsection (8)(d), of more than \$1,000,000 statewide.
- 1741 (ii) A proposed rule that is subject to Subsection (13)(e) is exempt from Subsection
1742 (13)(a)(i).
- 1743 (b) An appropriations subcommittee or interim committee that reviews a rule an agency
1744 submits under Subsection (13)(a) shall:
- 1745 (i) before the review, directly inform the chairs of the [~~Rules Review and General~~
1746 ~~Oversight~~] General Oversight Committee of the coming review, including the
1747 date, time, and place of the review; and
- 1748 (ii) after the review, directly inform the chairs of the [~~Rules Review and General~~
1749 ~~Oversight~~] General Oversight Committee of the outcome of the review, including
1750 any recommendation.
- 1751 (c) An appropriations subcommittee or interim committee that reviews a rule an agency
1752 submits under Subsection (13)(a) may recommend to the [~~Rules Review and General~~
1753 ~~Oversight~~] General Oversight Committee that the [~~Rules Review and General~~
1754 ~~Oversight~~] General Oversight Committee not recommend reauthorization of the rule
1755 in the legislation described in Section 63G-3-502.
- 1756 [~~(d) The agency shall calculate the substantial fiscal impact in accordance with~~
1757 ~~Subsection (5).~~]
- 1758 [(e)] (d) Unless an agency cannot implement a statute or execute a federally delegated
1759 authority without making a rule that is estimated to have substantial fiscal impact, the
1760 agency may not [~~make~~] file the rule.
- 1761 [(f)] (e) The requirements described in Subsections (13)(a) and (13)(b) do not apply to:
1762 (i) the State Tax Commission; or

- 1763 (ii) the State Board of Education.
- 1764 [~~(14)(a)~~] As used in this Subsection ~~(14)~~, "initiate rulemaking proceedings" means the
- 1765 filing, for the purposes of publication in accordance with Subsection ~~(4)~~, of an
- 1766 agency's proposed rule that is required by state statute.]
- 1767 [~~(b)~~] ~~(14)(a)~~ [A state] An agency shall initiate rulemaking proceedings no later than 180
- 1768 days after the day on which the statutory provision that specifically requires the
- 1769 rulemaking takes effect, except under Subsection [~~(14)(e)~~] ~~(14)(b)~~.
- 1770 [~~(e)~~] ~~(b)~~ When a statute is enacted that requires agency rulemaking and the affected
- 1771 agency already has rules in place that meet the statutory requirement, the agency
- 1772 shall submit the rules to the [~~Rules Review and General Oversight~~] General
- 1773 Oversight Committee for review within 60 days after the day on which the statute
- 1774 requiring the rulemaking takes effect.
- 1775 [~~(d)~~] ~~(c)~~ If [~~a state~~] an agency does not initiate rulemaking proceedings in accordance
- 1776 with the time requirements in Subsection [~~(14)(b)~~] ~~(14)(a)~~, the [~~state~~] agency shall
- 1777 appear before the legislative [~~Rules Review and General Oversight~~] General
- 1778 Oversight Committee and provide the reasons for the delay.
- 1779 Section 22. Section **63G-3-302** is amended to read:
- 1780 **63G-3-302 (Effective 05/06/26). Public hearings.**
- 1781 (1) [~~An~~] Subject to Subsection (2), an agency may hold a public hearing on a proposed rule[;
- 1782 amendment to a rule, or repeal of a rule] during the public comment period.
- 1783 (2) Except as provided in Subsection (4), an agency shall hold a public hearing on a
- 1784 proposed rule[; amendment to a rule, or repeal of a rule] if:
- 1785 (a) a public hearing is required by state or federal mandate; or
- 1786 (b)(i) another state agency, 10 interested persons, or an interested association having
- 1787 not fewer than 10 members request a public hearing; and
- 1788 (ii) the agency receives the request in writing not more than 15 days after the
- 1789 publication date of the proposed rule.
- 1790 (3) The agency shall hold the hearing:
- 1791 (a) except for a rule made in accordance with Section 63G-3-304, before the proposed
- 1792 rule becomes effective; and
- 1793 (b) no less than seven days nor more than 30 days after receipt of the request for hearing.
- 1794 (4) The Wildlife Board is not required to hold a public hearing on a proposed rule[;
- 1795 amendment to a rule, or repeal of a rule] unless required to hold a public hearing under
- 1796 Title 23A, Chapter 2, Part 3, Wildlife Board and Regional Councils.

- 1797 (5) Subject to Section 63G-3-304.2, the governor:
- 1798 (a) shall hold a public hearing for each proposed rule before the proposed rule becomes
- 1799 effective;
- 1800 (b) shall be available at the public hearing to hear public comment; and
- 1801 (c) may not delegate the requirements of this Subsection (5) to another person.
- 1802 Section 23. Section **63G-3-303** is amended to read:
- 1803 **63G-3-303 (Effective 05/06/26). Changes in rules.**
- 1804 (1)(a) To change a proposed rule already published in the bulletin, an agency shall file
- 1805 with the office:
- 1806 (i) the text of the changed proposed rule; and
- 1807 (ii) a rule analysis containing a description of the change and the information
- 1808 required by Section 63G-3-301.
- 1809 (b) A change to a proposed rule may not be filed more than 120 days after publication of
- 1810 the rule being changed.
- 1811 (c) The office shall publish the rule analysis for the changed rule in the bulletin.
- 1812 (d) The changed proposed rule and its associated proposed rule will become effective on
- 1813 a date specified by the agency, not less than 30 days or more than 120 days after
- 1814 publication of the last change in proposed rule.
- 1815 (e) A changed proposed rule and its associated proposed rule lapse if a notice of
- 1816 effective date or another change to a proposed rule is not filed with the office within
- 1817 120 days of publication of the last change in proposed rule.
- 1818 (f) The agency making the change to the proposed rule shall receive public comment on
- 1819 the change in accordance with Subsection 63G-3-301(11) after the change to the
- 1820 proposed rule is published under Subsection (1)(c).
- 1821 (2) If the rule change is nonsubstantive:
- 1822 (a) the agency need not comply with the requirements of Subsection (1); and
- 1823 (b) the agency shall notify the office of the change in writing.
- 1824 (3) If the rule is effective, the agency shall amend the rule according to the procedures
- 1825 specified in Section 63G-3-301.
- 1826 Section 24. Section **63G-3-304** is amended to read:
- 1827 **63G-3-304 (Effective 05/06/26). Emergency rulemaking procedure.**
- 1828 (1) All agencies shall comply with the rulemaking procedures of Section 63G-3-301 unless
- 1829 an agency finds that these procedures would:
- 1830 (a) cause an imminent peril to the public health, safety, or welfare;

- 1831 (b) cause an imminent budget reduction because of budget restraints or federal
 1832 requirements; or
- 1833 (c) place the agency in violation of federal or state law.
- 1834 (2)(a) When finding that [its] the agency's rule is excepted from regular rulemaking
 1835 procedures by this section, the agency shall file with the office~~[-and the members of~~
 1836 ~~the Rules Review and General Oversight Committee]:~~
- 1837 (i) the text of the rule; and
- 1838 (ii) a rule analysis that includes the specific reasons and justifications for [its] the
 1839 agency's findings.
- 1840 (b) An agency that files an emergency rule with the office under Subsection (2)(a) shall
 1841 provide the information described in Subsection (2)(a) to the members of the General
 1842 Oversight Committee when the agency files the rule with the office.
- 1843 ~~[(b)]~~ (c) The office shall publish the rule in the bulletin as provided in Subsection
 1844 63G-3-301(4).
- 1845 ~~[(e)]~~ (d) The agency shall notify interested persons as provided in Subsection
 1846 63G-3-301(10).
- 1847 ~~[(d)]~~ (e) Subject to Subsection 63G-3-502(4), the rule becomes effective for a period not
 1848 exceeding 120 days on the date of filing or any later date designated in the rule
 1849 analysis.
- 1850 (3) If the agency intends the rule to be effective beyond 120 days, the agency shall also
 1851 comply with the procedures of Section 63G-3-301.
- 1852 Section 24. Section **63G-3-304.1** is amended to read:
- 1853 **63G-3-304.1 (Effective 05/06/26). Delaying the effective date of a proposed rule.**
- 1854 (1) Upon a majority vote of the members of the committee, the ~~[Rules Review and General~~
 1855 ~~Oversight]~~ General Oversight Committee may delay the effective date of a proposed rule [
 1856 ~~promulgated by the State Board of Education to a date determined by the committee]~~ for
 1857 up to 60 days.
- 1858 (2) The ~~[Rules Review and General Oversight]~~ General Oversight Committee:
- 1859 (a) may choose to delay the effective date of an entire proposed rule, a ~~[single-]~~section,
 1860 subsection, or any complete paragraph of a proposed rule; and
- 1861 (b) ~~[may not delay the effective day beyond May 15 of the calendar year after the day~~
 1862 ~~the vote is taken.]~~ upon a majority vote of the members of the committee, may
 1863 remove the delay of effective date described in Subsection (1).
- 1864 ~~[(3)(a) Upon a majority vote of the members of the committee, the Rules Review and~~

- 1865 General Oversight Committee may remove the delay of effective date described in
 1866 Subsection (1).]
- 1867 [(b) A rule or section or paragraph of a rule that has had the delay of effective date
 1868 removed under Subsection (3)(a) goes into effect on a day designated by the State
 1869 Board of Education.]
- 1870 [(4)] (3) The [Rules Review and General Oversight] General Oversight Committee shall
 1871 notify the [State Board of Education] affected agency and the office of:
 1872 (a) [~~the delay of the effective date.~~] the decision to delay the effective date under
 1873 Subsection (1); and
 1874 (b) the decision to remove the delay of effective date as described in Subsection (2)(b).
- 1875 (4) When an agency receives notice described in Subsection (3)(a), the agency shall select
 1876 an effective date that complies with the delay of effective date.
- 1877 (5) [~~A State Board of Education proposed rule's effective date may not be delayed if~~] This
 1878 section does not apply to the following:
 1879 (a) [~~the rule-~~] a proposed rule that is explicitly mandated by a federal law or regulation;
 1880 (b) a proposed rule where a provision of Utah's constitution vests the [State Board of
 1881 Education] agency with specific constitutional authority to promulgate the rule; or
 1882 (c) [~~the rule is-~~] an emergency rule filed under Section 63G-3-304.
- 1883 (6) The office shall make rules in accordance with this chapter to determine how to
 1884 bifurcate a rule that has had a section, subsection, or paragraph's effective date delayed
 1885 under this section.
- 1886 (7) Notwithstanding any other provision of this chapter, the 120-day timeframe for when a
 1887 proposed rule lapses is paused for any provision subject to a delay of effective date
 1888 under this section until the delay of the effective date expires or is removed.
- 1889 Section 26. Section **63G-3-304.2** is enacted to read:
 1890 **63G-3-304.2 (Effective 05/06/26). Trigger provisions.**
- 1891 (1) Except as provided in Subsection (2), provisions that are subject to this section are not
 1892 effective.
- 1893 (2) If a court finds any provision of Section 63G-3-304.1 as unconstitutional, the provisions
 1894 that are subject to this section are effective.
- 1895 Section 27. Section **63G-3-305** is amended to read:
 1896 **63G-3-305 (Effective 05/06/26). Agency review of rules -- Schedule of filings --**
 1897 **Limited exemption for certain rules.**
- 1898 (1) Each agency shall review each of [its] the agency's rules within five years after the rule's

- 1899 original effective date or within five years after the filing of the last five-year review,
1900 whichever is later.
- 1901 (2) An agency may consider any substantial review of a rule to be a five-year review if the
1902 agency also meets the requirements described in Subsection (3).
- 1903 (3) At the conclusion of its review, and no later than the deadline described in Subsection
1904 (1), the agency shall decide whether to continue, repeal, or amend and continue the rule
1905 and comply with Subsections (3)(a) through (c), as applicable.
- 1906 (a) If the agency continues the rule, the agency shall file with the office a five-year
1907 notice of review and statement of continuation that includes:
- 1908 (i) a concise explanation of the particular statutory provisions under which the rule is
1909 enacted and how these provisions authorize or require the rule;
- 1910 (ii) a summary of written comments received during and since the last five-year
1911 review of the rule from interested persons supporting or opposing the rule; and
- 1912 (iii) a reasoned justification for continuation of the rule, including reasons why the
1913 agency disagrees with comments in opposition to the rule, if any.
- 1914 (b) If the agency repeals the rule, the agency shall:
- 1915 (i) comply with Section 63G-3-301; and
- 1916 (ii) in the rule analysis described in Section 63G-3-301, state that the repeal is the
1917 result of the agency's five-year review under this section.
- 1918 (c) If the agency amends and continues the rule, the agency shall comply with the
1919 requirements described in Section 63G-3-301 and file with the office the five-year
1920 notice of review and statement of continuation required in Subsection (3)(a).
- 1921 (4) The office shall publish a five-year notice of review and statement of continuation in the
1922 bulletin[~~no later than one year after the deadline described in Subsection (1)~~].
- 1923 (5)(a) The office shall make a reasonable effort to notify an agency that a rule is due for
1924 review at least 180 days before the deadline described in Subsection (1).
- 1925 (b) The office's failure to comply with the requirement described in Subsection (5)(a)
1926 does not exempt an agency from complying with any provision of this section.
- 1927 (6) If an agency [~~finds~~] determines that it will not meet the deadline established in
1928 Subsection (1):
- 1929 (a) before the deadline described in Subsection (1), the agency may file one extension
1930 with the office indicating the reason for the extension; and
- 1931 (b) the office shall publish notice of the extension in the bulletin in accordance with the
1932 office's publication schedule established by rule under Section 63G-3-402.

- 1933 (7) An extension permits the agency to comply with the requirements described in
 1934 Subsections (1) and (3) up to 120 days after the deadline described in Subsection (1).
- 1935 (8)(a) If an agency does not comply with the requirements described in Subsection (3),
 1936 and does not file an extension under Subsection (6), the rule expires automatically on
 1937 the day immediately after the date [~~of the missed deadline~~] the review was due under
 1938 Subsection (1).
- 1939 (b) If an agency files an extension under Subsection (6) and does not comply with the
 1940 requirements described in Subsection (3) within 120 days after the day on which the [
 1941 ~~deadline described in~~] the review was due under Subsection (1)[~~expires~~], the rule
 1942 expires automatically on the day immediately after the [~~date of the missed deadline~~]
 1943 120 day extension period.
- 1944 (9) After a rule expires under Subsection (8), the office shall:
- 1945 (a) publish a notice in the next issue of the bulletin that the rule has expired and is no
 1946 longer enforceable;
- 1947 (b) remove the rule from the code; and
- 1948 (c) notify the agency that the rule has expired.
- 1949 (10) After a rule expires, an agency must comply with the requirements of Section
 1950 63G-3-301 to [~~reenact~~] readopt the rule.
- 1951 Section 28. Section **63G-3-401** is amended to read:
- 1952 **63G-3-401 (Effective 05/06/26). Office of Administrative Rules created --**
 1953 **Director.**
- 1954 (1) There is created within the [~~Department of Government Operations~~] department the
 1955 Office of Administrative Rules, to be administered by a director.
- 1956 (2)(a) The executive director shall appoint the director.
- 1957 (b) The director shall hire, train, and supervise staff necessary for the office to carry out
 1958 the provisions of this chapter.
- 1959 Section 29. Section **63G-3-402** is amended to read:
- 1960 **63G-3-402 (Effective 05/06/26). Office of Administrative Rules -- Duties**
 1961 **generally.**
- 1962 (1) The office shall:
- 1963 (a) record in [a] an electronic register the receipt of all agency rules, rule analysis forms,
 1964 and notices of effective dates;
- 1965 (b) make the register, copies of all proposed rules, and rulemaking documents available
 1966 for public inspection;

- 1967 (c) publish all proposed rules, rule analyses, notices of effective dates, and review
 1968 notices in the bulletin at least monthly[, except that the office may publish the
 1969 complete text of any proposed rule that the director determines is too long to print or
 1970 too expensive to publish by reference to the text maintained by the office];
- 1971 (d) compile, format, number, and index all effective rules in an administrative code, and
 1972 periodically publish that code and supplements or revisions to it;
- 1973 (e) publish a digest of all proposed rules and notices contained in the most recent
 1974 bulletin;
- 1975 (f) publish at least annually an index of all changes to the administrative code and the
 1976 effective date of each change;
- 1977 (g) [~~print, or contract to print,~~] publish all rulemaking publications the director
 1978 determines necessary to implement this chapter;
- 1979 (h) distribute without charge the bulletin and administrative code to state-designated
 1980 repositories, the [~~Rules Review and General Oversight~~] General Oversight
 1981 Committee, the Office of Legislative Research and General Counsel, and the two [
 1982 ~~houses~~] chambers of the Legislature;
- 1983 (i) distribute without charge the digest and index to state legislators, agencies, political
 1984 subdivisions on request, and the Office of Legislative Research and General Counsel;
- 1985 [~~(j) distribute, at prices covering publication costs, all paper rulemaking publications to~~
 1986 ~~all other requesting persons and agencies;]~~
- 1987 [~~(k)~~] (j) provide agencies assistance in rulemaking;
- 1988 [~~(l)~~] (k) if the department operates the office as an internal service fund agency in
 1989 accordance with Section 63A-1-109.5, submit to the Rate Committee established in
 1990 Section 63A-1-114:
- 1991 (i) the proposed rate and fee schedule as required by Section 63A-1-114; and
 1992 (ii) other information or analysis requested by the Rate Committee;
- 1993 [~~(m)~~] (l) administer this chapter and require state agencies to comply with filing,
 1994 publication, and hearing procedures; and
- 1995 [~~(n)~~] (m) make technological improvements to the rulemaking process, including
 1996 improvements to automation and digital accessibility.
- 1997 (2) The office shall establish by rule in accordance with Title 63G, Chapter 3, Utah
 1998 Administrative Rulemaking Act, all filing, publication, and hearing procedures
 1999 necessary to make rules under this chapter.
- 2000 (3) The office may after notifying the agency make nonsubstantive changes to rules filed

- 2001 with the office or published in the bulletin or code by:
- 2002 (a) implementing a uniform system of formatting, punctuation, capitalization,
- 2003 organization, numbering, and wording;
- 2004 (b) correcting obvious errors and inconsistencies in punctuation, capitalization,
- 2005 numbering, referencing, and wording;
- 2006 (c) changing a catchline to more accurately reflect the substance of each section, [~~part,~~]
- 2007 rule, or title;
- 2008 (d) updating or correcting annotations associated with a section, [~~part,~~]rule, or title; and
- 2009 (e) merging or determining priority of any amendment, enactment, or repeal to the same
- 2010 rule or section made effective by an agency.
- 2011 (4) In addition, the office may make the following nonsubstantive changes with the
- 2012 concurrence of the agency:
- 2013 (a) eliminate duplication within rules;
- 2014 (b) eliminate obsolete and redundant words; and
- 2015 (c) correct defective or inconsistent section and paragraph structure in arrangement of
- 2016 the subject matter of rules.
- 2017 (5)(a) For nonsubstantive changes made in accordance with Subsection (3) or (4) after
- 2018 publication of the rule in the bulletin, the office shall publish a list of nonsubstantive
- 2019 changes in the bulletin.
- 2020 (b) For each nonsubstantive change, the list shall include:
- 2021 [~~(a)~~] (i) the affected code citation;
- 2022 [~~(b)~~] (ii) a brief description of the change; and
- 2023 [~~(c)~~] (iii) the date the change was made.
- 2024 (6) All funds appropriated or collected for publishing the office's publications shall be
- 2025 nonlapsing.
- 2026 Section 30. Section **63G-3-403** is amended to read:
- 2027 **63G-3-403 (Effective 05/06/26). Repeal and reenactment of Utah Administrative**
- 2028 **Code.**
- 2029 (1) When the director determines that the Utah Administrative Code requires extensive
- 2030 revision and reorganization, the office may repeal the code and reenact a new code
- 2031 according to the requirements of this section.
- 2032 (2) The office may:
- 2033 (a) reorganize, reformat, and renumber the code;
- 2034 (b) require each agency to review its rules and make any organizational or substantive

- 2035 changes according to the requirements of Section 63G-3-303; and
- 2036 (c) require each agency to prepare a brief summary of all substantive changes made by
- 2037 the agency.
- 2038 (3) The office may make nonsubstantive changes in the code by:
- 2039 (a) adopting a uniform system of punctuation, capitalization, numbering, and wording;
- 2040 (b) eliminating duplication;
- 2041 (c) correcting defective or inconsistent section and paragraph structure in arrangement of
- 2042 the subject matter of rules;
- 2043 (d) eliminating all obsolete or redundant words;
- 2044 (e) correcting obvious errors and inconsistencies in punctuation, capitalization,
- 2045 numbering, referencing, and wording;
- 2046 (f) changing a catchline to more accurately reflect the substance of each section, [~~part,~~]
- 2047 rule, or title;
- 2048 (g) updating or correcting annotations associated with a section, [~~part,~~]rule, or title; and
- 2049 (h) merging or determining priority of any amendment, enactment, or repeal to the same
- 2050 rule or section made effective by an agency.
- 2051 (4)(a) To inform the public about the proposed code reenactment, the office shall publish
- 2052 in the bulletin:
- 2053 (i) notice of the code reenactment;
- 2054 (ii) the date, time, and place of a public hearing where members of the public may
- 2055 comment on the proposed reenactment of the code;
- 2056 (iii) locations where the proposed reenactment of the code may be reviewed; and
- 2057 (iv) agency summaries of substantive changes in the reenacted code.
- 2058 (b) To inform the public about substantive changes in agency rules contained in the
- 2059 proposed reenactment, each agency shall:
- 2060 (i) make the text of their reenacted rules available:
- 2061 (A) for public review during regular business hours; and
- 2062 (B) in an electronic version; and
- 2063 (ii) comply with the requirements of Subsection 63G-3-301(10).
- 2064 (5) The office shall hold a public hearing on the proposed code reenactment no fewer than
- 2065 30 days nor more than 45 days after the publication required by Subsection (4)(a).
- 2066 (6) The office shall distribute complete text of the proposed code reenactment without
- 2067 charge to:
- 2068 (a) state-designated repositories in Utah;

- 2069 (b) the [~~Rules Review and General Oversight~~] General Oversight Committee; and
2070 (c) the Office of Legislative Research and General Counsel.
- 2071 (7) The former code is repealed and the reenacted code is effective at noon on a date
2072 designated by the office that is not fewer than 45 days nor more than 90 days after the
2073 publication date required by this section.
- 2074 (8) Repeal and reenactment of the code meets the requirements of Section 63G-3-305 for a
2075 review of all agency rules.
- 2076 Section 31. Section **63G-3-502** is amended to read:
- 2077 **63G-3-502 (Effective 05/06/26). Legislative reauthorization of agency rules --**
2078 **Extension of rules by governor.**
- 2079 (1) All grants of rulemaking power from the Legislature to [~~a state~~] an agency in any statute
2080 are made subject to the provisions of this section.
- 2081 (2)(a) Except as provided in Subsection (2)(b), every agency rule that is in effect on
2082 February 28 of any calendar year expires on May 1 of that year unless it has been
2083 reauthorized by the Legislature.
- 2084 (b) Notwithstanding the provisions of Subsection (2)(a), an agency's rules do not expire
2085 if:
- 2086 (i) the rule is explicitly mandated by a federal law or regulation; or
2087 (ii) a provision of Utah's constitution vests the agency with specific constitutional
2088 authority to regulate.
- 2089 (3)(a) The [~~Rules Review and General Oversight~~] General Oversight Committee shall
2090 have legislation prepared for the Legislature to consider the reauthorization of rules
2091 during its annual general session.
- 2092 (b) The legislation shall be substantially in the following form: "All rules of Utah state
2093 agencies are reauthorized except for the following:".
- 2094 (c) Before sending the legislation to the governor for the governor's action, the [~~Rules~~
2095 ~~Review and General Oversight~~] General Oversight Committee may send a letter to
2096 the governor and to the agency explaining specifically why the committee believes a
2097 rule should not be reauthorized.
- 2098 (d) For the purpose of this section, the entire rule, a [~~single~~] section, a subsection, or any
2099 complete paragraph of a rule may be excepted for reauthorization in the legislation
2100 considered by the Legislature.
- 2101 (4) The [~~Rules Review and General Oversight~~] General Oversight Committee may have
2102 legislation prepared for consideration by the Legislature in the annual general session or

2103 a special session regarding any rule made according to emergency rulemaking
 2104 procedures described in Section 63G-3-304.

2105 (5) The Legislature's reauthorization of a rule by legislation:

2106 (a) does not constitute legislative approval of the rule~~[-nor is it admissible in any~~
 2107 ~~proceeding as-] ; and~~

2108 (b) is not evidence of legislative intent.

2109 [~~(6)(a) If an agency believes that a rule that has not been reauthorized by the Legislature~~
 2110 ~~or that will be allowed to expire should continue in full force and effect and is a rule~~
 2111 ~~within their authorized rulemaking power, the agency may seek the governor's~~
 2112 ~~declaration extending the rule beyond the expiration date.]~~

2113 [~~(b) In seeking the extension, the agency shall submit a petition to the governor that~~
 2114 ~~affirmatively states:]~~

2115 [~~(i) that the rule is necessary; and]~~

2116 [~~(ii) a citation to the source of its authority to make the rule.]~~

2117 [~~(c)(i) If the governor finds that the necessity does exist, and that the agency has the~~
 2118 ~~authority to make the rule, the governor may declare the rule to be extended by~~
 2119 ~~publishing that declaration in the Administrative Rules Bulletin on or before April~~
 2120 ~~15 of that year.]~~

2121 [~~(ii) The declaration shall set forth the rule to be extended, the reasons the extension~~
 2122 ~~is necessary, and a citation to the source of the agency's authority to make the rule.]~~

2123 [~~(d)~~] (6) If the legislation required by Subsection (3) fails to pass both houses of the
 2124 Legislature or is found to have a technical legal defect preventing reauthorization of
 2125 administrative rules intended to be reauthorized by the Legislature, the governor may
 2126 declare all rules to be extended by publishing a single declaration in the Administrative
 2127 Rules Bulletin on or before June 15 without meeting requirements of Subsections (6)(b)
 2128 and (c).

2129 Section 32. Section **63G-3-503** is amended to read:

2130 **63G-3-503 (Effective 05/06/26). Agency rules oversight.**

2131 Oversight of the rulemaking process is conducted by the [~~Rules Review and General~~
 -2132 ~~Oversight]~~ General Oversight Committee created in Section 36-35-102.

2133 Section 33. Section **63G-3-601** is amended to read:

2134 **63G-3-601 (Effective 05/06/26). Interested parties -- Petition for agency action.**

2135 [(1) As used in this section, "initiate rulemaking proceedings" means the filing, for the
 2136 purposes of publication in accordance with Subsection 63G-3-301(4), of an agency's

2137 proposed rule to implement a petition for the making, amendment, or repeal of a rule as
 2138 provided in this section.]

2139 [(2)] (1) An interested person may petition an agency to request the making, amendment, or
 2140 repeal of a rule.

2141 [(3)] (2) The office shall prescribe by rule the form for petitions and the procedure for their
 2142 submission, consideration, and disposition.

2143 [(4)] (3) A statement shall accompany the proposed rule[, or proposed amendment or repeal
 2144 of a rule,] demonstrating that the proposed action is within the jurisdiction of the agency
 2145 and appropriate to the powers of the agency.

2146 [(5)] (4) Within 60 days after submission of a petition, the agency shall[either] :

2147 (a) deny the petition in writing, stating [its] reasons for the denial[;] ; or

2148 (b) initiate rulemaking proceedings to implement the petition.

2149 [(6)] (5)(a) If the petition is submitted to a board or commission that has been granted
 2150 rulemaking authority by the Legislature, the board shall, within 45 days of the
 2151 submission of the petition, place the petition on its agenda for review.

2152 (b) Within 80 days of the submission of the petition, the board or commission shall
 2153 either:

2154 (i) deny the petition in writing stating its reasons for denial; or

2155 (ii) initiate rulemaking proceedings to implement the petition.

2156 [(7)] (6) If the agency[or] , board, or commission has not provided the petitioner written
 2157 notice that the agency has denied the petition or initiated rulemaking proceedings to
 2158 implement the petition within the time limitations specified in Subsection [(5)] (4) or [(6)]
 2159 (5) respectively, the petitioner may seek a writ of mandamus in state district court.

2160 Section 34. Section **63O-2-403** is amended to read:

2161 **63O-2-403 (Effective 05/06/26). Contracting power of executive director --**

2162 **Health insurance coverage.**

2163 (1) As used in this section:

2164 (a) "Aggregate" means the sum of all contracts, change orders, and modifications related
 2165 to a single project.

2166 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.

2167 (c) "Employee" means, as defined in Section 34A-2-104, an "employee," "worker," or
 2168 "operative" who:

2169 (i) works at least 30 hours per calendar week; and

2170 (ii) meets employer eligibility waiting requirements for health care insurance, which

2171 may not exceed the first of the calendar month following 60 days after the day on
2172 which the individual is hired.

2173 (d) "Health benefit plan" means:

2174 (i) the same as that term is defined in Section 31A-1-301; or

2175 (ii) an employee welfare benefit plan:

2176 (A) established under the Employee Retirement Income Security Act of 1974, 29
2177 U.S.C. Sec. 1001 et seq.;

2178 (B) for an employer with 100 or more employees; and

2179 (C) in which the employer establishes a self-funded or partially self-funded group
2180 health plan to provide medical care for the employer's employees and
2181 dependents of the employees.

2182 (e) "Qualified health coverage" means the same as that term is defined in Section
2183 26B-3-909.

2184 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.

2185 (g) "Third party administrator" or "administrator" means the same as that term is defined
2186 in Section 31A-1-301.

2187 (2) Except as provided in Subsection (3), the requirements of this section apply to:

2188 (a) a contractor of a design or construction contract entered into by the board, or on
2189 behalf of the board, on or after July 1, 2009, if the prime contract is in an aggregate
2190 amount equal to or greater than \$2,000,000; and

2191 (b) a subcontractor of a contractor of a design or construction contract entered into by
2192 the board, or on behalf of the board, on or after July 1, 2009, if the subcontract is in
2193 an aggregate amount equal to or greater than \$1,000,000.

2194 (3) The requirements of this section do not apply to a contractor or subcontractor described
2195 in Subsection (2) if:

2196 (a) the application of this section jeopardizes the receipt of federal funds;

2197 (b) the contract is a sole source contract; or

2198 (c) the contract is an emergency procurement.

2199 (4) A person that intentionally uses change orders, contract modifications, or multiple
2200 contracts to circumvent the requirements of this section is guilty of an infraction.

2201 (5)(a) A contractor subject to the requirements of this section shall demonstrate to the
2202 executive director that the contractor has and will maintain an offer of qualified
2203 health coverage for the contractor's employees and the employees' dependents during
2204 the duration of the contract by submitting to the executive director a written

- 2205 statement that:
- 2206 (i) the contractor offers qualified health coverage that complies with Section
2207 26B-3-909;
- 2208 (ii) is from:
- 2209 (A) an actuary selected by the contractor or the contractor's insurer;
- 2210 (B) an underwriter who is responsible for developing the employer group's
2211 premium rates; or
- 2212 (C) if the contractor provides a health benefit plan described in Subsection
2213 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and
- 2214 (iii) was created within one year before the day on which the statement is submitted.
- 2215 (b)(i) A contractor that provides a health benefit plan described in Subsection
2216 (1)(d)(ii) shall provide the actuary or underwriter selected by the administrator, as
2217 described in Subsection (5)(a)(ii)(C), sufficient information to determine whether
2218 the contractor's contribution to the health benefit plan and the health benefit plan's
2219 actuarial value meets the requirements of qualified health coverage.
- 2220 (ii) A contractor may not make a change to the contractor's contribution to the health
2221 benefit plan, unless the contractor provides notice to:
- 2222 (A) the actuary or underwriter selected by the administrator, as described in
2223 Subsection (5)(a)(ii)(C), for the actuary or underwriter to update the written
2224 statement described in Subsection (5)(a) in compliance with this section; and
2225 (B) the executive director.
- 2226 (c) A contractor that is subject to the requirements of this section shall:
- 2227 (i) place a requirement in each of the contractor's subcontracts that a subcontractor
2228 that is subject to the requirements of this section shall obtain and maintain an offer
2229 of qualified health coverage for the subcontractor's employees and the employees'
2230 dependents during the duration of the subcontract; and
- 2231 (ii) obtain from a subcontractor that is subject to the requirements of this section a
2232 written statement that:
- 2233 (A) the subcontractor offers qualified health coverage that complies with Section
2234 26B-3-909;
- 2235 (B) is from an actuary selected by the subcontractor or the subcontractor's insurer,
2236 an underwriter who is responsible for developing the employer group's
2237 premium rates, or if the subcontractor provides a health benefit plan described
2238 in Subsection (1)(d)(ii), an actuary or underwriter selected by an administrator;

- 2239 and
- 2240 (C) was created within one year before the day on which the contractor obtains the
- 2241 statement.
- 2242 (d)(i)(A) A contractor that fails to maintain an offer of qualified health coverage
- 2243 as described in Subsection (5)(a) during the duration of the contract is subject
- 2244 to penalties in accordance with administrative rules adopted by the division
- 2245 under Subsection (6).
- 2246 (B) A contractor is not subject to penalties for the failure of a subcontractor to
- 2247 obtain and maintain an offer of qualified health coverage described in
- 2248 Subsection (5)(c)(i).
- 2249 (ii)(A) A subcontractor that fails to obtain and maintain an offer of qualified
- 2250 health coverage described in Subsection (5)(c)(i) during the duration of the
- 2251 subcontract is subject to penalties in accordance with administrative rules
- 2252 adopted by the department under Subsection (6).
- 2253 (B) A subcontractor is not subject to penalties for the failure of a contractor to
- 2254 maintain an offer of qualified health coverage described in Subsection (5)(a).
- 2255 (6) The department shall make rules:
- 2256 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 2257 (b) in coordination with:
- 2258 (i) the Department of Environmental Quality in accordance with Section 19-1-206;
- 2259 (ii) the Department of Natural Resources in accordance with Section 79-2-404;
- 2260 (iii) the Division of Facilities Construction and Management in accordance with
- 2261 Section 63A-5b-607;
- 2262 (iv) a public transit district in accordance with Section 17B-2a-818.5;
- 2263 (v) the Department of Transportation in accordance with Section 72-6-107.5; and
- 2264 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight
- 2265 Committee created in Section 36-35-102; and
- 2266 (c) that establish:
- 2267 (i) the requirements and procedures a contractor and a subcontractor shall follow to
- 2268 demonstrate compliance with this section, including:
- 2269 (A) that a contractor or subcontractor's compliance with this section is subject to
- 2270 an audit by the department or the Office of the Legislative Auditor General;
- 2271 (B) that a contractor that is subject to the requirements of this section shall obtain
- 2272 a written statement described in Subsection (5)(a); and

- 2273 (C) that a subcontractor that is subject to the requirements of this section shall
2274 obtain a written statement described in Subsection (5)(c)(ii);
- 2275 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally
2276 violates the provisions of this section, which may include:
- 2277 (A) a three-month suspension of the contractor or subcontractor from entering into
2278 future contracts with the state upon the first violation;
- 2279 (B) a six-month suspension of the contractor or subcontractor from entering into
2280 future contracts with the state upon the second violation;
- 2281 (C) an action for debarment of the contractor or subcontractor in accordance with
2282 Section 63G-6a-904 upon the third or subsequent violation; and
- 2283 (D) monetary penalties which may not exceed 50% of the amount necessary to
2284 purchase qualified health coverage for employees and dependents of
2285 employees of the contractor or subcontractor who were not offered qualified
2286 health coverage during the duration of the contract; and
- 2287 (iii) a website on which the department shall post the commercially equivalent
2288 benchmark, for the qualified health coverage identified in Subsection (1)(e), that
2289 is provided by the Department of Health and Human Services, in accordance with
2290 Subsection 26B-3-909(2).
- 2291 (7)(a)(i) In addition to the penalties imposed under Subsection (6)(c)(ii), a contractor
2292 or subcontractor who intentionally violates the provisions of this section is liable
2293 to the employee for health care costs that would have been covered by qualified
2294 health coverage.
- 2295 (ii) An employer has an affirmative defense to a cause of action under Subsection
2296 (7)(a)(i) if:
- 2297 (A) the employer relied in good faith on a written statement described in
2298 Subsection (5)(a) or (5)(c)(ii); or
- 2299 (B) the department determines that compliance with this section is not required
2300 under the provisions of Subsection (3).
- 2301 (b) An employee has a private right of action only against the employee's employer to
2302 enforce the provisions of this Subsection (7).
- 2303 (8) Any penalties imposed and collected under this section shall be deposited into the
2304 Medicaid Growth Reduction and Budget Stabilization Account created in Section
2305 63J-1-315.
- 2306 (9) The failure of a contractor or subcontractor to provide qualified health coverage as

- 2307 required by this section:
- 2308 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,
- 2309 or contractor under:
- 2310 (i) Section 63G-6a-1602; or
- 2311 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and
- 2312 (b) may not be used by the procurement entity or a prospective bidder, offeror, or
- 2313 contractor as a basis for any action or suit that would suspend, disrupt, or terminate
- 2314 the design or construction.
- 2315 (10) An administrator, including the administrator's actuary or underwriter, who provides a
- 2316 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage
- 2317 of a contractor or subcontractor who provides a health benefit plan described in
- 2318 Subsection (1)(d)(ii):
- 2319 (a) subject to Subsection (10)(b), is not liable for an error in the written statement, unless
- 2320 the administrator commits gross negligence in preparing the written statement;
- 2321 (b) is not liable for any error in the written statement if the administrator relied in good
- 2322 faith on information from the contractor or subcontractor; and
- 2323 (c) may require as a condition of providing the written statement that a contractor or
- 2324 subcontractor hold the administrator harmless for an action arising under this section.
- 2325 Section 35. Section **72-6-107.5** is amended to read:
- 2326 **72-6-107.5 (Effective 05/06/26). Construction of improvements of highway --**
- 2327 **Contracts -- Health insurance coverage.**
- 2328 (1) As used in this section:
- 2329 (a) "Aggregate" means the sum of all contracts, change orders, and modifications related
- 2330 to a single project.
- 2331 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.
- 2332 (c) "Employee" means, as defined in Section 34A-2-104, an "employee," "worker," or
- 2333 "operative" who:
- 2334 (i) works at least 30 hours per calendar week; and
- 2335 (ii) meets employer eligibility waiting requirements for health care insurance, which
- 2336 may not exceed the first day of the calendar month following 60 days after the day
- 2337 on which the individual is hired.
- 2338 (d) "Health benefit plan" means:
- 2339 (i) the same as that term is defined in Section 31A-1-301; or
- 2340 (ii) an employee welfare benefit plan:

- 2341 (A) established under the Employee Retirement Income Security Act of 1974, 29
2342 U.S.C. Sec. 1001 et seq.;
- 2343 (B) for an employer with 100 or more employees; and
- 2344 (C) in which the employer establishes a self-funded or partially self-funded group
2345 health plan to provide medical care for the employer's employees and
2346 dependents of the employees.
- 2347 (e) "Qualified health coverage" means the same as that term is defined in Section
2348 26B-3-909.
- 2349 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.
- 2350 (g) "Third party administrator" or "administrator" means the same as that term is defined
2351 in Section 31A-1-301.
- 2352 (2) Except as provided in Subsection (3), the requirements of this section apply to:
- 2353 (a) a contractor of a design or construction contract entered into by the department on or
2354 after July 1, 2009, if the prime contract is in an aggregate amount equal to or greater
2355 than \$2,000,000; and
- 2356 (b) a subcontractor of a contractor of a design or construction contract entered into by
2357 the department on or after July 1, 2009, if the subcontract is in an aggregate amount
2358 equal to or greater than \$1,000,000.
- 2359 (3) The requirements of this section do not apply to a contractor or subcontractor described
2360 in Subsection (2) if:
- 2361 (a) the application of this section jeopardizes the receipt of federal funds;
- 2362 (b) the contract is a sole source contract; or
- 2363 (c) the contract is an emergency procurement.
- 2364 (4) A person that intentionally uses change orders, contract modifications, or multiple
2365 contracts to circumvent the requirements of this section is guilty of an infraction.
- 2366 (5)(a) A contractor subject to the requirements of this section shall demonstrate to the
2367 department that the contractor has and will maintain an offer of qualified health
2368 coverage for the contractor's employees and the employees' dependents during the
2369 duration of the contract by submitting to the department a written statement that:
- 2370 (i) the contractor offers qualified health coverage that complies with Section
2371 26B-3-909;
- 2372 (ii) is from:
- 2373 (A) an actuary selected by the contractor or the contractor's insurer;
- 2374 (B) an underwriter who is responsible for developing the employer group's

- 2375 premium rates; or
- 2376 (C) if the contractor provides a health benefit plan described in Subsection
- 2377 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and
- 2378 (iii) was created within one year before the day on which the statement is submitted.
- 2379 (b)(i) A contractor that provides a health benefit plan described in Subsection
- 2380 (1)(d)(ii) shall provide the actuary or underwriter selected by an administrator, as
- 2381 described in Subsection (5)(a)(ii)(C), sufficient information to determine whether
- 2382 the contractor's contribution to the health benefit plan and the actuarial value of
- 2383 the health benefit plan meet the requirements of qualified health coverage.
- 2384 (ii) A contractor may not make a change to the contractor's contribution to the health
- 2385 benefit plan, unless the contractor provides notice to:
- 2386 (A) the actuary or underwriter selected by an administrator, as described in
- 2387 Subsection (5)(a)(ii)(C), for the actuary or underwriter to update the written
- 2388 statement described in Subsection (5)(a) in compliance with this section; and
- 2389 (B) the department.
- 2390 (c) A contractor that is subject to the requirements of this section shall:
- 2391 (i) place a requirement in each of the contractor's subcontracts that a subcontractor
- 2392 that is subject to the requirements of this section shall obtain and maintain an offer
- 2393 of qualified health coverage for the subcontractor's employees and the employees'
- 2394 dependents during the duration of the subcontract; and
- 2395 (ii) obtain from a subcontractor that is subject to the requirements of this section a
- 2396 written statement that:
- 2397 (A) the subcontractor offers qualified health coverage that complies with Section
- 2398 26B-3-909;
- 2399 (B) is from an actuary selected by the subcontractor or the subcontractor's insurer,
- 2400 an underwriter who is responsible for developing the employer group's
- 2401 premium rates, or if the subcontractor provides a health benefit plan described
- 2402 in Subsection (1)(d)(ii), an actuary or underwriter selected by an administrator;
- 2403 and
- 2404 (C) was created within one year before the day on which the contractor obtains the
- 2405 statement.
- 2406 (d)(i)(A) A contractor that fails to maintain an offer of qualified health coverage
- 2407 described in Subsection (5)(a) during the duration of the contract is subject to
- 2408 penalties in accordance with administrative rules adopted by the department

- 2409 under Subsection (6).
- 2410 (B) A contractor is not subject to penalties for the failure of a subcontractor to
- 2411 obtain and maintain an offer of qualified health coverage described in
- 2412 Subsection (5)(c)(i).
- 2413 (ii)(A) A subcontractor that fails to obtain and maintain an offer of qualified
- 2414 health coverage described in Subsection (5)(c) during the duration of the
- 2415 subcontract is subject to penalties in accordance with administrative rules
- 2416 adopted by the department under Subsection (6).
- 2417 (B) A subcontractor is not subject to penalties for the failure of a contractor to
- 2418 maintain an offer of qualified health coverage described in Subsection (5)(a).
- 2419 (6) The department shall adopt administrative rules:
- 2420 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 2421 (b) in coordination with:
- 2422 (i) the Department of Environmental Quality in accordance with Section 19-1-206;
- 2423 (ii) the Department of Natural Resources in accordance with Section 79-2-404;
- 2424 (iii) the Division of Facilities Construction and Management in accordance with
- 2425 Section 63A-5b-607;
- 2426 (iv) the State Capitol Preservation Board in accordance with Section 63O-2-403;
- 2427 (v) a public transit district in accordance with Section 17B-2a-818.5; and
- 2428 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight
- 2429 Committee created in Section 36-35-102; and
- 2430 (c) that establish:
- 2431 (i) the requirements and procedures a contractor and a subcontractor shall follow to
- 2432 demonstrate compliance with this section, including:
- 2433 (A) that a contractor or subcontractor's compliance with this section is subject to
- 2434 an audit by the department or the Office of the Legislative Auditor General;
- 2435 (B) that a contractor that is subject to the requirements of this section shall obtain
- 2436 a written statement described in Subsection (5)(a); and
- 2437 (C) that a subcontractor that is subject to the requirements of this section shall
- 2438 obtain a written statement described in Subsection (5)(c)(ii);
- 2439 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally
- 2440 violates the provisions of this section, which may include:
- 2441 (A) a three-month suspension of the contractor or subcontractor from entering into
- 2442 future contracts with the state upon the first violation;

- 2443 (B) a six-month suspension of the contractor or subcontractor from entering into
2444 future contracts with the state upon the second violation;
- 2445 (C) an action for debarment of the contractor or subcontractor in accordance with
2446 Section 63G-6a-904 upon the third or subsequent violation; and
- 2447 (D) monetary penalties which may not exceed 50% of the amount necessary to
2448 purchase qualified health coverage for an employee and a dependent of the
2449 employee of the contractor or subcontractor who was not offered qualified
2450 health coverage during the duration of the contract; and
- 2451 (iii) a website on which the department shall post the commercially equivalent
2452 benchmark, for the qualified health coverage identified in Subsection (1)(e), that
2453 is provided by the Department of Health and Human Services, in accordance with
2454 Subsection 26B-3-909(2).
- 2455 (7)(a)(i) In addition to the penalties imposed under Subsection (6)(c)(ii), a contractor
2456 or subcontractor who intentionally violates the provisions of this section is liable
2457 to the employee for health care costs that would have been covered by qualified
2458 health coverage.
- 2459 (ii) An employer has an affirmative defense to a cause of action under Subsection
2460 (7)(a)(i) if:
- 2461 (A) the employer relied in good faith on a written statement described in
2462 Subsection (5)(a) or (5)(c)(ii); or
- 2463 (B) the department determines that compliance with this section is not required
2464 under the provisions of Subsection (3).
- 2465 (b) An employee has a private right of action only against the employee's employer to
2466 enforce the provisions of this Subsection (7).
- 2467 (8) Any penalties imposed and collected under this section shall be deposited into the
2468 Medicaid Growth Reduction and Budget Stabilization Account created in Section
2469 63J-1-315.
- 2470 (9) The failure of a contractor or subcontractor to provide qualified health coverage as
2471 required by this section:
- 2472 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,
2473 or contractor under:
- 2474 (i) Section 63G-6a-1602; or
- 2475 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and
- 2476 (b) may not be used by the procurement entity or a prospective bidder, offeror, or

2477 contractor as a basis for any action or suit that would suspend, disrupt, or terminate
2478 the design or construction.

2479 (10) An administrator, including an administrator's actuary or underwriter, who provides a
2480 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage
2481 of a contractor or subcontractor who provides a health benefit plan described in
2482 Subsection (1)(d)(ii):

2483 (a) subject to Subsection (10)(b), is not liable for an error in the written statement, unless
2484 the administrator commits gross negligence in preparing the written statement;

2485 (b) is not liable for any error in the written statement if the administrator relied in good
2486 faith on information from the contractor or subcontractor; and

2487 (c) may require as a condition of providing the written statement that a contractor or
2488 subcontractor hold the administrator harmless for an action arising under this section.

2489 Section 36. Section **79-2-404** is amended to read:

2490 **79-2-404 (Effective 05/06/26). Contracting powers of department -- Health**
2491 **insurance coverage.**

2492 (1) As used in this section:

2493 (a) "Aggregate" means the sum of all contracts, change orders, and modifications related
2494 to a single project.

2495 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.

2496 (c) "Employee" means, as defined in Section 34A-2-104, an "employee," "worker," or
2497 "operative" who:

2498 (i) works at least 30 hours per calendar week; and

2499 (ii) meets employer eligibility waiting requirements for health care insurance, which
2500 may not exceed the first day of the calendar month following 60 days after the day
2501 on which the individual is hired.

2502 (d) "Health benefit plan" means:

2503 (i) the same as that term is defined in Section 31A-1-301; or

2504 (ii) an employee welfare benefit plan:

2505 (A) established under the Employee Retirement Income Security Act of 1974, 29
2506 U.S.C. Sec. 1001 et seq.;

2507 (B) for an employer with 100 or more employees; and

2508 (C) in which the employer establishes a self-funded or partially self-funded group
2509 health plan to provide medical care for the employer's employees and
2510 dependents of the employees.

- 2511 (e) "Qualified health coverage" means the same as that term is defined in Section
2512 26B-3-909.
- 2513 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.
- 2514 (g) "Third party administrator" or "administrator" means the same as that term is defined
2515 in Section 31A-1-301.
- 2516 (2) Except as provided in Subsection (3), the requirements of this section apply to:
- 2517 (a) a contractor of a design or construction contract entered into by, or delegated to, the
2518 department or a division, board, or council of the department on or after July 1, 2009,
2519 if the prime contract is in an aggregate amount equal to or greater than \$2,000,000;
2520 and
- 2521 (b) a subcontractor of a contractor of a design or construction contract entered into by, or
2522 delegated to, the department or a division, board, or council of the department on or
2523 after July 1, 2009, if the subcontract is in an aggregate amount equal to or greater
2524 than \$1,000,000.
- 2525 (3) This section does not apply to contracts entered into by the department or a division,
2526 board, or council of the department if:
- 2527 (a) the application of this section jeopardizes the receipt of federal funds;
- 2528 (b) the contract or agreement is between:
- 2529 (i) the department or a division, board, or council of the department; and
- 2530 (ii)(A) another agency of the state;
- 2531 (B) the federal government;
- 2532 (C) another state;
- 2533 (D) an interstate agency;
- 2534 (E) a political subdivision of this state; or
- 2535 (F) a political subdivision of another state; or
- 2536 (c) the contract or agreement is:
- 2537 (i) for the purpose of disbursing grants or loans authorized by statute;
- 2538 (ii) a sole source contract; or
- 2539 (iii) an emergency procurement.
- 2540 (4) A person that intentionally uses change orders, contract modifications, or multiple
2541 contracts to circumvent the requirements of this section is guilty of an infraction.
- 2542 (5)(a) A contractor subject to the requirements of this section shall demonstrate to the
2543 department that the contractor has and will maintain an offer of qualified health
2544 coverage for the contractor's employees and the employees' dependents during the

- 2545 duration of the contract by submitting to the department a written statement that:
- 2546 (i) the contractor offers qualified health coverage that complies with Section
- 2547 26B-3-909;
- 2548 (ii) is from:
- 2549 (A) an actuary selected by the contractor or the contractor's insurer;
- 2550 (B) an underwriter who is responsible for developing the employer group's
- 2551 premium rates; or
- 2552 (C) if the contractor provides a health benefit plan described in Subsection
- 2553 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and
- 2554 (iii) was created within one year before the day on which the statement is submitted.
- 2555 (b)(i) A contractor that provides a health benefit plan described in Subsection
- 2556 (1)(d)(ii) shall provide the actuary or underwriter selected by an administrator, as
- 2557 described in Subsection (5)(a)(ii)(C), sufficient information to determine whether
- 2558 the contractor's contribution to the health benefit plan and the actuarial value of
- 2559 the health benefit plan meet the requirements of qualified health coverage.
- 2560 (ii) A contractor may not make a change to the contractor's contribution to the health
- 2561 benefit plan, unless the contractor provides notice to:
- 2562 (A) the actuary or underwriter selected by an administrator, as described in
- 2563 Subsection (5)(a)(ii)(C), for the actuary or underwriter to update the written
- 2564 statement described in Subsection (5)(a) in compliance with this section; and
- 2565 (B) the department.
- 2566 (c) A contractor that is subject to the requirements of this section shall:
- 2567 (i) place a requirement in each of the contractor's subcontracts that a subcontractor
- 2568 that is subject to the requirements of this section shall obtain and maintain an offer
- 2569 of qualified health coverage for the subcontractor's employees and the employees'
- 2570 dependents during the duration of the subcontract; and
- 2571 (ii) obtain from a subcontractor that is subject to the requirements of this section a
- 2572 written statement that:
- 2573 (A) the subcontractor offers qualified health coverage that complies with Section
- 2574 26B-3-909;
- 2575 (B) is from an actuary selected by the subcontractor or the subcontractor's insurer,
- 2576 an underwriter who is responsible for developing the employer group's
- 2577 premium rates, or if the subcontractor provides a health benefit plan described
- 2578 in Subsection (1)(d)(ii), an actuary or underwriter selected by an administrator;

- 2579 and
- 2580 (C) was created within one year before the day on which the contractor obtains the
- 2581 statement.
- 2582 (d)(i)(A) A contractor that fails to maintain an offer of qualified health coverage
- 2583 described in Subsection (5)(a) during the duration of the contract is subject to
- 2584 penalties in accordance with administrative rules adopted by the department
- 2585 under Subsection (6).
- 2586 (B) A contractor is not subject to penalties for the failure of a subcontractor to
- 2587 obtain and maintain an offer of qualified health coverage described in
- 2588 Subsection (5)(c)(i).
- 2589 (ii)(A) A subcontractor that fails to obtain and maintain an offer of qualified
- 2590 health coverage described in Subsection (5)(c) during the duration of the
- 2591 subcontract is subject to penalties in accordance with administrative rules
- 2592 adopted by the department under Subsection (6).
- 2593 (B) A subcontractor is not subject to penalties for the failure of a contractor to
- 2594 maintain an offer of qualified health coverage described in Subsection (5)(a).
- 2595 (6) The department shall adopt administrative rules:
- 2596 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 2597 (b) in coordination with:
- 2598 (i) the Department of Environmental Quality in accordance with Section 19-1-206;
- 2599 (ii) a public transit district in accordance with Section 17B-2a-818.5;
- 2600 (iii) the Division of Facilities Construction and Management in accordance with
- 2601 Section 63A-5b-607;
- 2602 (iv) the State Capitol Preservation Board in accordance with Section 63O-2-403;
- 2603 (v) the Department of Transportation in accordance with Section 72-6-107.5; and
- 2604 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight
- 2605 Committee created in Section 36-35-102; and
- 2606 (c) that establish:
- 2607 (i) the requirements and procedures a contractor and a subcontractor shall follow to
- 2608 demonstrate compliance with this section, including:
- 2609 (A) that a contractor or subcontractor's compliance with this section is subject to
- 2610 an audit by the department or the Office of the Legislative Auditor General;
- 2611 (B) that a contractor that is subject to the requirements of this section shall obtain
- 2612 a written statement described in Subsection (5)(a); and

- 2613 (C) that a subcontractor that is subject to the requirements of this section shall
2614 obtain a written statement described in Subsection (5)(c)(ii);
- 2615 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally
2616 violates the provisions of this section, which may include:
- 2617 (A) a three-month suspension of the contractor or subcontractor from entering into
2618 future contracts with the state upon the first violation;
- 2619 (B) a six-month suspension of the contractor or subcontractor from entering into
2620 future contracts with the state upon the second violation;
- 2621 (C) an action for debarment of the contractor or subcontractor in accordance with
2622 Section 63G-6a-904 upon the third or subsequent violation; and
- 2623 (D) monetary penalties which may not exceed 50% of the amount necessary to
2624 purchase qualified health coverage for an employee and a dependent of an
2625 employee of the contractor or subcontractor who was not offered qualified
2626 health coverage during the duration of the contract; and
- 2627 (iii) a website on which the department shall post the commercially equivalent
2628 benchmark, for the qualified health coverage identified in Subsection (1)(e),
2629 provided by the Department of Health and Human Services, in accordance with
2630 Subsection 26B-3-909(2).
- 2631 (7)(a)(i) In addition to the penalties imposed under Subsection (6)(c)(ii), a contractor
2632 or subcontractor who intentionally violates the provisions of this section is liable
2633 to the employee for health care costs that would have been covered by qualified
2634 health coverage.
- 2635 (ii) An employer has an affirmative defense to a cause of action under Subsection
2636 (7)(a)(i) if:
- 2637 (A) the employer relied in good faith on a written statement described in
2638 Subsection (5)(a) or (5)(c)(ii); or
- 2639 (B) the department determines that compliance with this section is not required
2640 under the provisions of Subsection (3).
- 2641 (b) An employee has a private right of action only against the employee's employer to
2642 enforce the provisions of this Subsection (7).
- 2643 (8) Any penalties imposed and collected under this section shall be deposited into the
2644 Medicaid Growth Reduction and Budget Stabilization Account created in Section
2645 63J-1-315.
- 2646 (9) The failure of a contractor or subcontractor to provide qualified health coverage as

- 2647 required by this section:
- 2648 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,
- 2649 or contractor under:
- 2650 (i) Section 63G-6a-1602; or
- 2651 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and
- 2652 (b) may not be used by the procurement entity or a prospective bidder, offeror, or
- 2653 contractor as a basis for any action or suit that would suspend, disrupt, or terminate
- 2654 the design or construction.
- 2655 (10) An administrator, including an administrator's actuary or underwriter, who provides a
- 2656 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage
- 2657 of a contractor or subcontractor who provides a health benefit plan described in
- 2658 Subsection (1)(d)(ii):
- 2659 (a) subject to Subsection (10)(b), is not liable for an error in the written statement, unless
- 2660 the administrator commits gross negligence in preparing the written statement;
- 2661 (b) is not liable for any error in the written statement if the administrator relied in good
- 2662 faith on information from the contractor or subcontractor; and
- 2663 (c) may require as a condition of providing the written statement that a contractor or
- 2664 subcontractor hold the administrator harmless for an action arising under this section.
- 2665 **Section 37. Repealer.**
- 2666 This bill repeals:
- 2667 **Section 63G-3-101, Title.**
- 2668 **Section 38. Effective Date.**
- 2669 This bill takes effect on May 6, 2026.