

**SETTLEMENT AGREEMENT AMENDMENTS**

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: John Knotwell**

Senate Sponsor: Lincoln Fillmore

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**LONG TITLE**

**General Description:**

This bill modifies provisions of the State Settlement Agreements Act.

**Highlighted Provisions:**

This bill:

► modifies provisions that require the governor or the Legislature to pre-approve various proposed settlements.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**63G-10-103**, as renumbered and amended by Laws of Utah 2008, Chapter 382

**63G-10-201**, as renumbered and amended by Laws of Utah 2008, Chapter 382

**63G-10-202**, as renumbered and amended by Laws of Utah 2008, Chapter 382

**63G-10-301**, as renumbered and amended by Laws of Utah 2008, Chapter 382

**63G-10-302**, as renumbered and amended by Laws of Utah 2008, Chapter 382

**63G-10-303**, as renumbered and amended by Laws of Utah 2008, Chapter 382

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



28 Section 1. Section **63G-10-103** is amended to read:

29 **63G-10-103. Notice of voidableness of settlement agreements.**

30 The following are voidable by the governor or the Legislature as provided in this  
31 chapter:

32 [~~Each~~] (1) a financial settlement agreement that [~~might~~]:

33 (a) may cost government entities, or may reduce financial obligations to government  
34 entities, more than \$100,000 [~~that~~]; and

35 (b) is executed by an agency in violation of this chapter[~~, and each~~]; and

36 (2) an action settlement agreement that is executed by an agency in violation of this  
37 chapter[~~, is voidable by the governor or the Legislature as provided in this chapter~~].

38 Section 2. Section **63G-10-201** is amended to read:

39 **63G-10-201. Governor to approve financial settlement agreements.**

40 (1) Before legally binding the state by executing a financial settlement agreement [~~that~~  
41 ~~might cost government entities more than \$100,000 to implement~~], an agency shall submit the  
42 proposed financial settlement agreement to the governor for the governor's approval or  
43 rejection[~~:~~] if the financial settlement agreement:

44 (a) may cost government entities more than \$100,000 to implement; or

45 (b) may reduce financial obligations to government entities in an amount more than  
46 \$100,000.

47 (2) The governor shall approve or reject each financial settlement agreement.

48 (3) (a) If the governor approves the financial settlement agreement, the agency may  
49 execute the agreement.

50 (b) If the governor rejects the financial settlement agreement, the agency may not  
51 execute the agreement.

52 (4) If an agency executes a financial settlement agreement without obtaining the  
53 governor's approval under this section, the governor may issue an executive order declaring the  
54 settlement agreement void.

55 Section 3. Section **63G-10-202** is amended to read:

56 **63G-10-202. Legislative review and approval of financial settlement agreements.**

57 (1) (a) Before legally binding the state by executing a financial settlement agreement  
58 that [~~might~~] may cost government entities more than \$500,000 to implement, or may reduce

59 financial obligations to government entities by more than \$500,000, an agency shall:

60 (i) submit the proposed financial settlement agreement to the governor for the  
61 governor's approval or rejection as required by Section 63G-10-201; and

62 (ii) if the governor approves the financial settlement agreement, submit the financial  
63 settlement agreement to the Legislative Management Committee for its review and  
64 recommendations.

65 (b) The Legislative Management Committee shall review the financial settlement  
66 agreement and may:

67 (i) recommend that the agency execute the financial settlement agreement;

68 (ii) recommend that the agency reject the financial settlement agreement; or

69 (iii) recommend to the governor that the governor call a special session of the  
70 Legislature to review and approve or reject the financial settlement agreement.

71 (2) (a) Before legally binding the state by executing a financial settlement agreement  
72 that ~~might~~ may cost government entities more than \$1,000,000 to implement, or may reduce  
73 financial obligations to government entities by more than \$1,000,000, an agency shall:

74 (i) submit the proposed financial settlement agreement to the governor for the  
75 governor's approval or rejection as required by Section 63G-10-201; and

76 (ii) if the governor approves the financial settlement agreement, submit the financial  
77 settlement agreement to the Legislature for its approval in an annual general session or a  
78 special session.

79 (b) (i) If the Legislature approves the financial settlement agreement, the agency may  
80 execute the agreement.

81 (ii) If the Legislature rejects the financial settlement agreement, the agency may not  
82 execute the agreement.

83 (c) If an agency executes a financial settlement agreement without obtaining the  
84 Legislature's approval under this Subsection (2):

85 (i) the governor may issue an executive order declaring the settlement agreement void;  
86 or

87 (ii) the Legislature may pass a joint resolution declaring the settlement agreement void.  
88 Section 4. Section 63G-10-301 is amended to read:

89 **63G-10-301. Cost evaluation of action settlement agreements.**

90 (1) Before legally binding the state to an action settlement agreement that ~~[might]~~ may  
91 cost the state a total of \$100,000 or more to implement, or may reduce financial obligations to  
92 the state by a total of \$100,000 or more, an agency shall estimate the cost of implementing the  
93 action settlement agreement and submit that cost estimate to the governor and the Legislative  
94 Management Committee.

95 (2) The Legislative Management Committee may:

96 (a) direct its staff to make an independent cost estimate of the cost of implementing the  
97 action settlement agreement; and

98 (b) affirmatively adopt a cost estimate as the benchmark for determining which  
99 authorizations established by this part are necessary.

100 Section 5. Section **63G-10-302** is amended to read:

101 **63G-10-302. Governor to approve action settlement agreements.**

102 (1) Before legally binding the state by executing an action settlement agreement that  
103 ~~[might]~~ may cost government entities more than \$100,000 to implement, or may reduce  
104 financial obligations to government entities by a total of \$100,000 or more, an agency shall  
105 submit the proposed settlement agreement to the governor for the governor's approval or  
106 rejection.

107 (2) The governor shall approve or reject each action settlement agreement.

108 (3) (a) If the governor approves the action settlement agreement, the agency may  
109 execute the agreement.

110 (b) If the governor rejects the action settlement agreement, the agency may not execute  
111 the agreement.

112 (4) If an agency executes an action settlement agreement without obtaining the  
113 governor's approval under this section, the governor may issue an executive order declaring the  
114 settlement agreement void.

115 Section 6. Section **63G-10-303** is amended to read:

116 **63G-10-303. Legislative review and approval of action settlement agreements.**

117 (1) (a) Before legally binding the state by executing an action settlement agreement that  
118 ~~[might]~~ may cost government entities more than \$500,000 to implement, or may reduce  
119 financial obligations to government entities by more than \$500,000, an agency shall:

120 (i) submit the proposed action settlement agreement to the governor for the governor's

121 approval or rejection as required by Section 63G-10-302; and

122 (ii) if the governor approves the action settlement agreement, submit the action  
123 settlement agreement to the Legislative Management Committee for its review and  
124 recommendations.

125 (b) The Legislative Management Committee shall review the action settlement  
126 agreement and may:

127 (i) recommend that the agency execute the settlement agreement;

128 (ii) recommend that the agency reject the settlement agreement; or

129 (iii) recommend to the governor that the governor call a special session of the  
130 Legislature to review and approve or reject the settlement agreement.

131 (2) (a) Before legally binding the state by executing an action settlement agreement that  
132 [~~might~~] may cost government entities more than \$1,000,000 to implement, or may reduce  
133 financial obligations to government entities by more than \$1,000,000, an agency shall:

134 (i) submit the proposed action settlement agreement to the governor for the governor's  
135 approval or rejection as required by Section 63G-10-302; and

136 (ii) if the governor approves the action settlement agreement, submit the action  
137 settlement agreement to the Legislature for its approval in an annual general session or a  
138 special session.

139 (b) (i) If the Legislature approves the action settlement agreement, the agency may  
140 execute the agreement.

141 (ii) If the Legislature rejects the action settlement agreement, the agency may not  
142 execute the agreement.

143 (c) If an agency executes an action settlement agreement without obtaining the  
144 Legislature's approval under this Subsection (2):

145 (i) the governor may issue an executive order declaring the action settlement agreement  
146 void; or

147 (ii) the Legislature may pass a joint resolution declaring the action settlement  
148 agreement void.