

1 **UTAH FITS ALL SCHOLARSHIP PROGRAM AMENDMENTS**
2 2024 GENERAL SESSION
3 STATE OF UTAH
4 **Chief Sponsor: Candice B. Pierucci**
5 Senate Sponsor: Kirk A. Cullimore

6
7 **LONG TITLE**

8 **General Description:**

9 This bill amends provisions regarding the Utah Fits All Scholarship Program.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ defines terms;
- 13 ▶ clarifies that a student may not receive education services funded through the Utah Fits
- 14 All Scholarship Program and the Statewide Online Education Program;
- 15 ▶ provides for the inclusion of children of military service members;
- 16 ▶ allows a foster parent who has initiated a process to adopt the foster child to apply for a
- 17 scholarship account;
- 18 ▶ clarifies the use of scholarship funds to pay expenses to a qualifying provider instead of
- 19 an individual, including that parents are not eligible service providers;
- 20 ▶ allows the State Tax Commission to provide certain income information to the
- 21 program manager in certain circumstances;
- 22 ▶ amends a provision regarding an appeal process, shifting the requirement from the State
- 23 Board of Education to the program manager with the involvement of parents;
- 24 ▶ amends provisions regarding local education agency participation by removing dual
- 25 enrollment proration and establishing local education agency eligibility to serve home-based
- 26 scholarship students;
- 27 ▶ moves a requirement to analyze cost effectiveness from the State Board of Education to
- the state auditor; and
- ▶ makes technical and conforming changes.

28 **Money Appropriated in this Bill:**

29 None

28 **Other Special Clauses:**

29 None

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **53F-4-501**, as last amended by Laws of Utah 2023, Chapters 226, 36833 **53F-6-401**, as enacted by Laws of Utah 2023, Chapter 134 **53F-6-402**, as enacted by Laws of Utah 2023, Chapter 135 **53F-6-404**, as enacted by Laws of Utah 2023, Chapter 136 **53F-6-405**, as enacted by Laws of Utah 2023, Chapter 137 **53F-6-408**, as enacted by Laws of Utah 2023, Chapter 138 **53F-6-409**, as enacted by Laws of Utah 2023, Chapter 139 **53F-6-412**, as enacted by Laws of Utah 2023, Chapter 140 **59-1-403**, as last amended by Laws of Utah 2023, Chapters 21, 52, 86, 259, and 32941 **67-3-1**, as last amended by Laws of Utah 2023, Chapters 16, 330, 353, and 480

42

43 *Be it enacted by the Legislature of the state of Utah:*44 Section 1. Section **53F-4-501** is amended to read:45 **53F-4-501 . Definitions.**

46 As used in this part:

47 (1) "Authorized online course provider" means the entities listed in Subsection 53F-4-504

48 (1).

49 (2) (a) "Certified online course provider" means a provider that the state board approves
50 to offer courses through the Statewide Online Education Program.51 (b) "Certified online course provider" does not include an entity described in
52 Subsections 53F-4-504(1)(a) through (c).53 (3) "Credit" means credit for a high school course, or the equivalent for a middle school
54 course, as determined by the state board.

55 (4) (a) "Eligible student" means a student:

56 [(a)] (i) who intends to take a course for middle school or high school credit; and

57 [(b)] (ii) [(i)] (A) who is enrolled in an LEA in Utah; or

58 [(ii)] (B) [(A)] who attends a private school or home school[;] and

59 [(B)] whose custodial parent is a resident of Utah.

60 (b) "Eligible student" does not include a scholarship student as defined in Section

61 53F-6-401.

- 62 (5) "High school" means grade 9, 10, 11, or 12.
- 63 (6) "Middle school" means, only for purposes of student eligibility to participate in the
64 Statewide Online Education Program, grade 6, 7, or 8.
- 65 (7) "Online course" means a course of instruction offered by the Statewide Online
66 Education Program through the use of digital technology, regardless of whether the
67 student participates in the course at home, at school, at another location, or any
68 combination of these.
- 69 (8) "Plan for college and career readiness" means the same as that term is defined in Section
70 53E-2-304.
- 71 (9) "Primary LEA of enrollment" means the LEA in which an eligible student is enrolled
72 for courses other than online courses offered through the Statewide Online Education
73 Program.
- 74 (10) "Released-time" means a period of time during the regular school day a student is
75 excused from school at the request of the student's parent pursuant to rules of the state
76 board.

77 Section 2. Section **53F-6-401** is amended to read:

78 **53F-6-401 . Definitions.**

79 As used in this part:

- 80 (1) "Eligible student" means a student:
- 81 (a) who is eligible to participate in public school, in kindergarten, or grades 1 through 12;
- 82 (b) who is a resident of the state, including a child of a military service member, as that
83 term is defined in Section 53B-8-102;
- 84 (c) who, during the school year for which the student is applying for a scholarship
85 account:
- 86 (i) does not receive a scholarship under:
- 87 (A) the Carson Smith Scholarship Program established in Section 53F-4-302; or
- 88 (B) the Special Needs Opportunity Scholarship Program established in Section
89 53E-7-402; and
- 90 (ii) ~~[except for a student who is enrolled part-time in accordance with Section~~
91 ~~53G-6-702,]~~is not enrolled in~~[-an LEA] ,~~ upon receiving the scholarship~~[;]~~ :
- 92 (A) an LEA; or
- 93 (B) the Statewide Online Education Program to participate in a course with
94 funding provided under Title 53F, Chapter 4, Part 5, Statewide Online
95 Education Program, which does not include participation in a course by an

- 96 entity as described in Subsection 53F-6-409(7);
- 97 (d) whose eligibility is not suspended or disqualified under Section 53F-6-401; and
- 98 (e) who completes, to maintain eligibility, the portfolio requirement described in
- 99 Subsection 53F-6-402(3)(d).
- 100 (2) "Federal poverty level" means the United States poverty level as defined by the most
- 101 recently revised poverty income guidelines published by the United States Department
- 102 of Health and Human Services in the Federal Register.
- 103 (3) (a) "Home-based scholarship student" means a student who:
- 104 (i) is eligible to participate in public school, in kindergarten or grades 1 through 12;
- 105 (ii) is excused from enrollment in an LEA in accordance with Section 53G-6-204 to
- 106 attend a home school; and
- 107 (iii) receives a benefit of scholarship funds.
- 108 (b) "Home-based scholarship student" does not mean a home school student who does
- 109 not receive a scholarship under the program.
- 110 (4) "Parent" means:
- 111 (a) the same as that term is defined in Section 53E-1-102; and
- 112 (b) a foster parent who has initiated a process to adopt the foster child.
- 113 (5) "Program manager" means an organization that:
- 114 (a) is qualified as tax exempt under Section 501(c)(3), Internal Revenue Code;
- 115 (b) is not affiliated with any international organization;
- 116 (c) does not harvest data for the purpose of reproducing or distributing the data to other
- 117 entities;
- 118 (d) has no involvement in guiding or directing any curriculum or curriculum standards;
- 119 (e) does not manage or otherwise administer a scholarship under:
- 120 (i) the Carson Smith Scholarship Program established in Section 53F-4-302; or
- 121 (ii) the Special Needs Opportunity Scholarship Program established in Section
- 122 53E-7-402; and
- 123 (f) an agreement with the state board recognizes as a program manager, in accordance
- 124 with this part.
- 125 [(5)] (6) (a) "Program manager employee" means an individual working for the program
- 126 manager in a position in which the individual's salary, wages, pay, or compensation,
- 127 including as a contractor, is paid from scholarship funds.
- 128 (b) "Program manager employee" does not include:
- 129 (i) an individual who volunteers for the program manager or for a qualifying provider;

- 130 (ii) an individual who works for a qualifying provider; or
131 (iii) a qualifying provider.
- 132 ~~[(6)]~~ (7) "Program manager officer" means:
- 133 (a) a member of the board of a program manager; or
134 (b) the chief administrative officer of a program manager.
- 135 ~~[(7)]~~ (8) (a) "Qualifying provider" means one of the following entities~~[that is not a~~
136 ~~public school and is autonomous and not an agent of the state, in accordance with~~
137 ~~Section 53F-6-406]~~:
- 138 ~~[(a)]~~ (i) an eligible school that the program manager approves in accordance with
139 Section 53F-6-408; or
- 140 ~~[(b)]~~ (ii) an eligible service provider that the program manager approves in
141 accordance with Section 53F-6-409.
- 142 (b) "Qualifying provider" does not include:
- 143 (i) a parent of a home-based scholarship student or a home school student solely in
144 relation to the parent's child; or
- 145 (ii) any other individual that does not meet the requirements described in Subsection
146 (8)(a).
- 147 ~~[(8)]~~ (9) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother,
148 uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law,
149 sister-in-law, son-in-law, or daughter-in-law.
- 150 ~~[(9)]~~ (10) "Scholarship account" means the account to which a program manager allocates
151 funds for the payment of approved scholarship expenses in accordance with this part.
- 152 ~~[(10)]~~ (11) "Scholarship expense" means an expense described in Section 53F-6-402 that a
153 parent or scholarship student incurs in the education of the scholarship student for a
154 service or goods that a qualifying provider provides, including:
- 155 (a) tuition and fees of a qualifying provider;
156 (b) fees and instructional materials at a technical college;
157 (c) tutoring services;
158 (d) fees for after-school or summer education programs;
159 (e) textbooks, curricula, or other instructional materials, including any supplemental
160 materials or associated online instruction that a curriculum or a qualifying provider
161 recommends;
162 (f) educational software and applications;
163 (g) supplies or other equipment related to a scholarship student's educational needs;

- 164 (h) computer hardware or other technological devices that are intended primarily for a
 165 scholarship student's educational needs;
- 166 (i) fees for the following examinations, or for a preparation course for the following
 167 examinations, that the program manager approves:
- 168 (i) a national norm-referenced or standardized assessment described in Section
 169 53F-6-410, an advanced placement examination, or another similar assessment;
- 170 (ii) a state-recognized industry certification examination; and
- 171 (iii) an examination related to college or university admission;
- 172 (j) educational services for students with disabilities from a licensed or accredited
 173 practitioner or provider, including occupational, behavioral, physical, audiology, or
 174 speech-language therapies;
- 175 (k) contracted services that the program manager approves and that an LEA provides,
 176 including individual classes, after-school tutoring services, transportation, or fees or
 177 costs associated with participation in extracurricular activities;
- 178 (l) ride fees or fares for a fee-for-service transportation provider to transport the
 179 scholarship student to and from a qualifying provider, not to exceed \$750 in a given
 180 school year;
- 181 (m) expenses related to extracurricular activities, field trips, educational supplements,
 182 and other educational experiences; or
- 183 (n) any other expense for a good or service that:
- 184 (i) a parent or scholarship student incurs in the education of the scholarship student;
 185 and
- 186 (ii) the program manager approves, in accordance with Subsection (4)(d).
- 187 ~~[(11)]~~ (12) "Scholarship funds" means:
- 188 (a) funds that the Legislature appropriates for the program; and
- 189 (b) interest that scholarship funds accrue.
- 190 ~~[(12)]~~ (13) (a) "Scholarship student" means an eligible student, including a home-based
 191 scholarship student, for whom the program manager establishes and maintains a
 192 scholarship account in accordance with this part.
- 193 (b) "Scholarship student" does not include a home school student who does not receive a
 194 scholarship award under the program.
- 195 ~~[(13)]~~ (14) "Utah Fits All Scholarship Program" or "program" means the scholarship
 196 program established in Section 53F-6-402.
- 197 Section 3. Section **53F-6-402** is amended to read:

- 198 **53F-6-402 . Utah Fits All Scholarship Program -- Scholarship account**
199 **application -- Scholarship expenses -- Program information.**
- 200 (1) There is established the Utah Fits All Scholarship Program under which, beginning
201 March 1, 2024, a parent may apply to a program manager on behalf of the parent's
202 student to establish and maintain a scholarship account to cover the cost of a scholarship
203 expense.
- 204 (2) (a) The program manager shall establish and maintain, in accordance with this part,
205 scholarship accounts for eligible students.
- 206 (b) The program manager shall:
- 207 (i) determine that a student meets the requirements to be an eligible student; and
208 (ii) subject to Subsection (2)(c), each year the student is an eligible student, maintain
209 a scholarship account for the scholarship student to pay for the cost of one or more
210 scholarship expenses that the student or student's parent incurs in the student's
211 education.
- 212 (c) [~~Except as provided in Subsection (2)(d), each~~] Each year, subject to this part and
213 legislative appropriations, a scholarship student is eligible for no more than:
- 214 (i) for the 2024-2025 school year, \$8,000; and
215 (ii) for each school year following the 2024-2025 school year, the maximum allowed
216 amount under this Subsection (2)(c) in the previous year plus a percentage
217 increase that is equal to the five-year rolling average inflationary factor described
218 in Section 53F-2-405.
- 219 ~~[(d) If a scholarship student enrolls in an LEA part-time in accordance with Section~~
220 ~~53G-6-702, the program manager shall prorate the amount of the award described in~~
221 ~~Subsection (2)(c) in proportion to the extent of the scholarship student's partial~~
222 ~~enrollment in the LEA.]~~
- 223 (3) (a) A program manager shall establish a scholarship account on behalf of an eligible
224 student who submits a timely application, unless the number of applications exceeds
225 available scholarship funds for the school year.
- 226 (b) If the number of applications exceeds the available scholarship funds for a school
227 year, the program manager shall select students on a random basis, except as
228 provided in Subsection (6).
- 229 (c) An eligible student or a public education student shall submit an application for an
230 initial scholarship or renewal for each school year that the student intends to receive
231 scholarship funds.

- 232 (d) (i) To maintain eligibility, a scholarship student or the scholarship student's parent
233 shall annually complete and deliver to the program manager a portfolio describing
234 the scholarship student's educational opportunities and achievements under the
235 program for the given year.
- 236 (ii) The program manager may not disclose the content of a given scholarship
237 student's portfolio except to the scholarship student's parent.
- 238 (4) (a) An application for a scholarship account shall contain an acknowledgment by the
239 student's parent that the qualifying provider selected by the parent for the student's
240 enrollment or engagement is capable of providing education services for the student.
- 241 (b) A scholarship account application form shall contain the following statement:
242 "I acknowledge that:
243 [~~(1)~~] 1: A qualifying provider may not provide the same level of disability services that are
244 provided in a public school;
245 [~~(2)~~] 2: I will assume full financial responsibility for the education of my scholarship
246 recipient if I agree to this scholarship account;
247 [~~(3)~~] 3: Agreeing to establish this scholarship account has the same effect as a parental
248 refusal to consent to services as described in 34 C.F.R. Sec. 300.300, issued under the
249 Individuals with Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.; and
250 [~~(4)~~] 4: My child may return to a public school at any time."
- 251 (c) Upon agreeing to establish a scholarship account, the parent assumes full financial
252 responsibility for the education of the scholarship student, including the balance of
253 any expense incurred at a qualifying provider or for goods that are not paid for by the
254 scholarship student's scholarship account.
- 255 (d) Agreeing to establish a scholarship account has the same effect as a parental refusal
256 to consent to services as described in 34 C.F.R. Sec. 300.300, issued under the
257 Individuals with Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.
- 258 (e) The creation of the program or establishment of a scholarship account on behalf of a
259 student does not:
260 (i) imply that a public school did not provide a free and appropriate public education
261 for a student; or
262 (ii) constitute a waiver or admission by the state.
- 263 (5) A program manager may not charge a scholarship account application fee.
- 264 (6) (a) A program manager shall give an enrollment preference based on the following
265 order of preference:

- 266 ~~[(a)]~~ (i) to an eligible student who used a scholarship account in the previous school
 267 year;
- 268 ~~[(b)]~~ (ii) to an eligible student:
- 269 ~~[(i)]~~ (A) who did not use a scholarship account in the previous school year; and
 270 ~~[(ii)]~~ (B) with a family income at or below 200% of the federal poverty level;
- 271 ~~[(e)]~~ (iii) to an eligible student who is a sibling of an eligible student who:
- 272 ~~[(i)]~~ (A) uses a scholarship account at the time the sibling applies for a scholarship
 273 account; or
- 274 ~~[(ii)]~~ (B) used a scholarship account in the school year immediately preceding the
 275 school year for which the sibling is applying for a scholarship account; and
- 276 ~~[(f)]~~ (iv) to an eligible student:
- 277 ~~[(i)]~~ (A) who did not use a scholarship account in the previous school year; and
 278 ~~[(ii)]~~ (B) with a family income between 200% and 555% of the federal poverty
 279 level.
- 280 (b) The State Tax Commission may, upon request, provide state individual income tax
 281 information to the program manager for income verification purposes regarding a
 282 given individual if:
- 283 (i) the individual voluntarily provides the individual's social security number to the
 284 program manager; and
- 285 (ii) consents in writing to the sharing of state individual income tax information
 286 solely for income verification purposes.
- 287 (c) In addition to the tax information described in Subsection (6)(b), the program
 288 manager shall accept the following for income verification:
- 289 (i) a federal form W-2;
- 290 (ii) a wage statement from an employer; and
- 291 (iii) other methods or documents that the program manager identifies.
- 292 (7) (a) Subject to Subsections (7)(b) through (e), a parent may use a scholarship account
 293 to pay for a scholarship expense from a qualifying provider that a parent or
 294 scholarship student incurs in the education of the scholarship student.
- 295 (b) A scholarship student or the scholarship student's parent may not use a scholarship
 296 account for an expense that the student or parent does not incur in the education of
 297 the scholarship student, including:
- 298 (i) a rehabilitation program that is not primarily designed for an educational purpose;
 299 or

- 300 (ii) a travel expense other than a transportation expense described in Section
301 53F-6-401.
- 302 (c) The program manager may not:
- 303 (i) approve a scholarship expense for a service that a qualifying provider provides
304 unless the program manager determines that the scholarship student or the
305 scholarship student's parent incurred the expense in the education of the
306 scholarship student; or
- 307 (ii) reimburse [~~a scholarship~~] an expense for a service or good that a provider that is
308 not a qualifying provider provides unless:
- 309 (A) the parent or scholarship student submits a receipt that shows the cost and
310 type of service or good and the name of provider; [~~and~~]
- 311 (B) the expense would have qualified as a scholarship expense if a qualifying
312 provider provided the good or service;
- 313 (C) the provider of the good or service is not the parent of the student who is a
314 home-based scholarship student solely in relation to the parent's child; and
- 315 [~~(B)~~] (D) the program manager determines that the parent or scholarship student
316 incurred the expense in the education of the scholarship student.
- 317 (d) The parent of a scholarship student may not receive scholarship funds as payment for
318 the parent's time spent educating the parent's child.
- 319 (e) Except for cases in which a scholarship student or the scholarship student's parent is
320 convicted of fraud in relation to scholarship funds, if a qualifying provider,
321 scholarship student, or scholarship student's parent repays an expenditure from a
322 scholarship account for an expense that is not approved under this Subsection (7), the
323 program manager shall credit the repaid amount back to the scholarship account
324 balance within 30 days after the day on which the program manager receives the
325 repayment.
- 326 (8) Notwithstanding any other provision of law, funds that the program manager disburses
327 under this part to a scholarship account on behalf of a scholarship student do not
328 constitute state taxable income to the parent of the scholarship student.
- 329 (9) The program manager shall prepare and disseminate information on the program to a
330 parent applying for a scholarship account on behalf of a student, including the
331 information that the program manager provides in accordance with Section 53F-6-405.
- 332 (10) On or before September 1, 2023, and as frequently as necessary to maintain the
333 information, the state board shall provide information on the state board's website,

334 including:

335 (a) scholarship account information;

336 (b) information on the program manager, including the program manager's contact
337 information; and

338 (c) an overview of the program.

339 Section 4. Section **53F-6-404** is amended to read:

340 **53F-6-404 . State board procurement and review of program manager -- Failure**
341 **to comply.**

342 (1) (a) In accordance with Title 63G, Chapter 6a, Utah Procurement Code, the state
343 board shall issue a request for proposals, on or before June 15, 2023, and enter an
344 agreement with no more than one organization that qualifies as tax exempt under
345 Section 501(c)(3), Internal Revenue Code, for the state board to recognize as the
346 program manager, on or before September 1, 2023.

347 (b) An organization that responds to a request for proposals described in Subsection
348 (1)(a) shall submit the following information in the organization's response:

349 (i) a copy of the organization's incorporation documents;

350 (ii) a copy of the organization's Internal Revenue Service determination letter
351 qualifying the organization as being tax exempt under Section 501(c)(3), Internal
352 Revenue Code;

353 (iii) a description of the methodology the organization will use to verify a student's
354 eligibility under this part;

355 (iv) a description of the organization's proposed scholarship account application
356 process; and

357 (v) an affidavit or other evidence that the organization:

358 (A) is not affiliated with any international organization;

359 (B) does not harvest data for the purpose of reproducing or distributing the data to
360 another entity; and

361 (C) has no involvement in guiding or directing any curriculum standards.

362 (c) The state board shall ensure that the agreement described in Subsection (1)(a):

363 (i) ensures the efficiency and success of the program; and

364 (ii) does not impose any requirements on the program manager that:

365 (A) are not essential to the basic administration of the program; or

366 (B) create restrictions, directions, or mandates regarding instructional content or
367 curriculum.

- 368 (2) The state board may regulate and take enforcement action as necessary against a
369 program manager in accordance with the provisions of the state board's agreement with
370 the program manager.
- 371 (3) (a) If the state board determines that a program manager has violated a provision of
372 this part or a provision of the state board's agreement with the program manager, the
373 state board shall send written notice to the program manager explaining the violation
374 and the remedial action required to correct the violation.
- 375 (b) A program manager that receives a notice described in Subsection (3)(a) shall, no
376 later than 60 days after the day on which the program manager receives the notice,
377 correct the violation and report the correction to the state board.
- 378 (c) (i) If a program manager that receives a notice described in Subsection (3)(a) fails
379 to correct a violation in the time period described in Subsection (3)(b), the state
380 board may bar the program manager from further participation in the program.
- 381 (ii) A program manager may appeal a decision of the state board under Subsection
382 (3)(c)(i) in accordance with Title 63G, Chapter 4, Administrative Procedures Act.
- 383 (d) A program manager may not accept state funds while the program manager:
384 (i) is barred from participating in the program under Subsection (3)(c)(i); or
385 (ii) has an appeal pending under Subsection (3)(c)(ii).
- 386 (e) A program manager that has an appeal pending under Subsection (3)(c)(ii) may
387 continue to administer scholarship accounts during the pending appeal.
- 388 (4) The state board shall establish a process for a program manager to report the
389 information the program manager is required to report to the state board under Section
390 53F-6-405.
- 391 (5) The state board shall make rules in accordance with Title 63G, Chapter 3, Utah
392 Administrative Rulemaking Act, and include provisions in the state board's agreement
393 with the scholarship organization for:
- 394 (a) subject to Subsection (6), the administration of scholarship accounts and
395 disbursement of scholarship funds if a program manager is barred from participating
396 in the program under Subsection (3)(c)(i); and
- 397 (b) audit and report requirements as described in Section 53F-6-405.
- 398 (6) (a) The state board shall include in the rules and provisions described in Subsection
399 (5)(a) measures to ensure that the establishment and maintenance of scholarship
400 accounts and enrollment in the program are not disrupted if the program manager is
401 barred from participating in the program.

- 402 (b) The state board may, if the program manager is barred from participating in the
 403 program, issue a new request for proposals and enter into a new agreement with an
 404 alternative program manager in accordance with this section.
- 405 (7) (a) On or before January 1, 2024, the ~~[state board]~~ program manager shall:
- 406 (i) ~~[make rules, in accordance with Title 63G, Chapter 3, Utah Administrative~~
 407 ~~Rulemaking Act, to]~~ establish a process for a scholarship student or a scholarship
 408 student's parent to appeal any administrative decision of the program manager ~~[for~~
 409 ~~state board resolution within 30 days after the day of the appeal]~~, including ~~[~~
 410 ~~(A)]~~
 411 scholarship expense denials ~~[; and (B)]~~ and determinations regarding enrollment
 412 eligibility or suspension or disqualification under Section 53F-6-405; ~~[and]~~
- 413 (ii) ensure that the body that determines the outcome of internal appeals:
- 414 (A) includes parents of scholarship students; and
- 415 (B) makes a determination within 30 days after the day of the appeal;
- 416 ~~[(ii)]~~ (iii) make information available regarding the internal appeals process on the [
 417 state board's] program manager's website and on the scholarship application.
- 418 (b) If the ~~[state board]~~ program manager stays or reverses an administrative decision of
 419 the program manager on internal appeal, the program manager may not withhold
 420 scholarship funds or application approval for the scholarship student on account of
 421 the appealed administrative decision unless as the ~~[state board]~~ resolution of the
 422 internal appeal expressly allows.
- 423 (8) The state board may not include a provision in any rule that creates or implies a
 424 restriction, direction, or mandate regarding instructional content or curriculum.
- 425 (9) No later than 10 business days after July 1 of each year, the state board shall disperse to
 426 the program manager an amount equal to the funds appropriated for the Utah Fits All
 427 Scholarship Program for the given fiscal year.
- 428 Section 5. Section **53F-6-405** is amended to read:
- 429 **53F-6-405 . Program manager duties -- Audit -- Prohibitions.**
- 430 (1) The program manager shall administer the program, including:
- 431 (a) maintaining an application website that includes information on enrollment, relevant
 432 application dates, and dates for notification of acceptance;
- 433 (b) reviewing applications from and determining if a person is:
- 434 (i) an eligible school under Section 53F-6-408; or
- (ii) an eligible service provider under Section 53F-6-409;

- 435 (c) establishing an application process, including application dates opening before
436 March 1, 2024, in accordance with Section 53F-6-402;
- 437 (d) reviewing and granting or denying applications for a scholarship account;
- 438 (e) providing an online portal for the parent of a scholarship student to access the
439 scholarship student's account to facilitate payments to a qualifying provider from the
440 online portal;
- 441 (f) ensuring that scholarship funds in a scholarship account are readily available to a
442 scholarship student;
- 443 (g) requiring a parent to notify the program manager if the parent's scholarship student is
444 no longer enrolled in or engaging a service:
- 445 (i) for which the scholarship student receives scholarship funds; and
446 (ii) that is provided to the scholarship student for an entire school year;
- 447 (h) obtaining reimbursement of scholarship funds from a qualifying provider that
448 provides the services in which a scholarship student is no longer enrolled or with
449 which the scholarship student is no longer engaged;
- 450 (i) expending all revenue from interest on scholarship funds or investments on
451 scholarship expenses;
- 452 (j) each time the program manager makes an administrative decision that is adverse to a
453 scholarship student or the scholarship student's parent, informing the scholarship
454 student and the scholarship student's parent of the opportunity and process to appeal
455 an administrative decision of the program manager[~~to the state board~~] in accordance
456 with the process described in Section 53F-6-404;
- 457 (k) maintaining a protected internal waitlist of all eligible students who have applied to
458 the program and are not yet scholarship students, including any student who removed
459 the student's application from the waitlist; and
- 460 (l) providing aggregate data regarding the number of scholarship students and the
461 number of eligible students on the waitlist described in Subsection (1)(k).
- 462 (2) The program manager shall:
- 463 (a) contract with one or more private entities to develop and implement a commercially
464 viable, cost-effective, and parent-friendly system to:
- 465 (i) establish scholarship accounts;
- 466 (ii) maximize payment flexibility by allowing:
- 467 (A) for payment of services to qualifying providers using scholarship funds by
468 electronic or online funds transfer from the online portal; and

- 469 (B) pre-approval of a reimbursement to a parent for a good that is a scholarship
470 expense; and
- 471 (iii) allow scholarship students and scholarship student's parents to publicly rate,
472 review, and share information about qualifying providers; [~~and~~]
- 473 (b) except for a reimbursement authorized under this part, ensuring the use of
474 scholarship funds from the online portal directly to a qualifying provider to pay for
475 scholarship expenses without the availability of withdrawal or other direct access to
476 scholarship funds by an individual; and
- 477 [~~(b)~~] (c) ensure that the system complies with industry standards for data privacy and
478 cybersecurity, including ensuring compliance with the Family Educational Rights
479 and Privacy Act, 34 C.F.R. Part 99.
- 480 (3) In advance of the program manager accepting applications in accordance with Section
481 53F-6-402 and as regularly as information develops, the program manager shall provide
482 information regarding the program by publishing a program handbook online for
483 scholarship applicants, scholarship students, parents, service providers seeking to
484 become qualifying providers, and qualifying providers, that includes information
485 regarding:
- 486 (a) the policies and processes of the program;
- 487 (b) approved scholarship expenses and qualifying providers;
- 488 (c) the responsibilities of parents regarding the program and scholarship funds;
- 489 (d) the duties of the program manager;
- 490 (e) the opportunity and process to appeal an administrative decision of the program
491 manager[~~to the state board~~] in accordance with the process described in Section
492 53F-6-404; and
- 493 (f) the role of any private financial management firms or other private organizations
494 with which the program manager may contract to administer any aspect of the
495 program.
- 496 (4) To ensure the fiscal security and compliance of the program, the program manager shall:
- 497 (a) prohibit a program manager employee or program manager officer from handling,
498 managing, or processing scholarship funds, if, based on a criminal background check
499 that the state board conducts in accordance with Section 53F-6-407, the state board
500 identifies the program manager employee or program manager officer as posing a
501 risk to the appropriate use of scholarship funds;
- 502 (b) establish procedures to ensure a fair process to:

- 503 (i) suspend scholarship student's eligibility for the program in the event of the
504 scholarship student's or scholarship student's parent's:
505 (A) intentional or substantial misuse of scholarship funds; or
506 (B) violation of this part or the terms of the program; and
507 (ii) if the program manager obtains evidence of fraudulent use of scholarship funds,
508 refer the case to the attorney general for collection or criminal investigation;
509 (iii) ensure that a scholarship student whose eligibility is suspended or disqualified
510 under this Subsection (4)(b) or Subsection (4)(c) based on the actions of the
511 student's parent regains eligibility if the student is placed with a different parent or
512 otherwise no longer resides with the parent related to the suspension or
513 disqualification;
- 514 (c) notify the state board, scholarship student, and scholarship student's parent in writing:
515 (i) of the suspension described in Subsection (4)(b)(i);
516 (ii) that no further transactions, disbursements, or reimbursements are allowed;
517 (iii) that the scholarship student or scholarship student's parent may take corrective
518 action within 10 business days of the day on which the program manager provides
519 the notification; and
520 (iv) that without taking the corrective action within the time period described in
521 Subsection (4)(c)(iii), the program manager may disqualify the student's eligibility.
- 522 (5) (a) A program manager may not:
523 (i) disburse scholarship funds to a qualifying provider or allow a qualifying provider
524 to use scholarship funds if:
525 (A) the program manager determines that the qualifying provider intentionally or
526 substantially misrepresented information on overpayment;
527 (B) the qualifying provider fails to refund an overpayment in a timely manner; or
528 (C) the qualifying provider routinely fails to provide scholarship students with
529 promised educational services; or
530 (ii) reimburse with scholarship funds an individual for the purchase of a good or
531 service if the program manager determines that:
532 (A) the scholarship student or the scholarship student's parent requesting
533 reimbursement intentionally or substantially misrepresented the cost or
534 educational purpose of the good or service; or
535 (B) the relevant scholarship student was not the exclusive user of the good or
536 service.

- 537 (b) A program manager shall notify a scholarship student if the program manager:
538 (i) stops disbursement of the scholarship student's scholarship funds to a qualifying
539 provider under Subsection (5)(a)(i); or
540 (ii) refuses reimbursement under Subsection (5)(a)(ii).
- 541 (6) (a) At any time, a scholarship student may change the qualifying provider to which
542 the scholarship student's scholarship account makes distributions.
543 (b) If, during the school year, a scholarship student changes the student's enrollment in
544 or engagement with a qualifying provider to another qualifying provider, the program
545 manager may prorate scholarship funds between the qualifying providers based on
546 the time the scholarship student received the goods or services or was enrolled.
- 547 (7) A program manager may not subvert the enrollment preferences required under Section
548 53F-6-402 or other provisions of this part to establish a scholarship account on behalf of
549 a relative of a program manager officer.
- 550 (8) The program manager shall:
551 (a) contract for annual and random audits on scholarship accounts conducted:
552 (i) by a certified public accountant who is independent from:
553 (A) the program manager;
554 (B) the state board; and
555 (C) the program manager's accounts and records pertaining to scholarship funds;
556 and
557 (ii) in accordance with generally accepted auditing standards;
- 558 (b) demonstrate the program manager's financial accountability by annually submitting
559 to the state board the following:
560 (i) a financial information report that a certified public accountant prepares and that
561 includes the total number and total dollar amount of scholarship funds disbursed
562 during the previous calendar year; and
563 (ii) no later than 180 days after the last day of the program manager's fiscal year, the
564 results of the audits described in Subsection (8)(a), including the program
565 manager's financial statements in a format that meets generally accepted
566 accounting principles.
- 567 (9) (a) The state board:
568 (i) shall review a report described in this section; and
569 (ii) may request that the program manager revise or supplement the report if the
570 report does not fully comply with this section.

571 (b) The program manager shall provide to the state board a revised report or a
572 supplement to the report no later than 45 days after the day on which the state board
573 makes a request described in Subsection (9)(a).

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

575 **53F-6-408 . Eligible schools.**

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

578 (a) (i) contract with an independent licensed certified public accountant to conduct an
579 agreed upon procedures engagement as the state board adopts, or obtain an audit
580 and report that:

581 (A) a licensed independent certified public accountant conducts in accordance
582 with generally accepted auditing standards;

583 (B) presents the financial statements in accordance with generally accepted
584 accounting principles; and

585 (C) audits financial statements from within the 12 months immediately preceding
586 the audit; and

587 (ii) submit the audit report or report of the agreed upon procedure to the program
588 manager when the private school applies to receive scholarship funds;

589 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d;

590 (c) provide a written disclosure to the parent of each prospective scholarship student,
591 before the student is enrolled, of:

592 (i) the education services that the school will provide to the scholarship student,
593 including the cost of the provided services;

594 (ii) tuition costs;

595 (iii) additional fees the school will require a parent to pay during the school year; and

596 (iv) the skill or grade level of the curriculum in which the prospective scholarship
597 student will participate; and

598 (d) require the following individuals to submit to a nationwide, fingerprint-based
599 criminal background check and ongoing monitoring, in accordance with Section
600 53G-11-402, as a condition for employment or appointment, as authorized by the
601 Adam Walsh Child Protection and Safety Act of 2006, Pub. L. No. 109-248:

602 (i) an employee who does not hold:

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

- 605 (B) if the private school is not physically located in Utah, a current educator
606 license in the state where the private school is physically located; and
607 (ii) a contract employee.
- 608 (2) A private school described in Subsection (1) is not eligible to receive scholarship funds
609 if:
- 610 (a) the private school requires a scholarship student to sign a contract waiving the
611 scholarship student's right to transfer to another qualifying provider during the school
612 year;
- 613 (b) the audit report described in Subsection (1)(a) contains a going concern explanatory
614 paragraph; or
- 615 (c) the report of the agreed upon procedures described in Subsection (1)(a) shows that
616 the private school does not have adequate working capital to maintain operations for
617 the first full year.
- 618 (3) To be eligible to receive scholarship funds on behalf of a scholarship student as an
619 eligible school, a private school with fewer than 150 enrolled students shall:
- 620 (a) provide to the program manager:
- 621 (i) a federal employer identification number;
- 622 (ii) the provider's address and contact information;
- 623 (iii) a description of each program or service the provider proposes to offer a
624 scholarship student; and
- 625 (iv) any other information as required by the program manager; and
- 626 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d.
- 627 (4) A private school described in Subsection (3) is not eligible to receive scholarship funds
628 if the private school requires a scholarship student to sign a contract waiving the
629 student's rights to transfer to another qualifying provider during the school year.
- 630 (5) To be eligible to receive scholarship funds on behalf of a scholarship student as an
631 eligible school, an LEA shall:
- 632 (a) provide to the program manager:
- 633 (i) a federal employer identification number;
- 634 (ii) the LEA's address and contact information; and
- 635 (iii) the amount to be charged under the program for, in correlation with the LEA's
636 course and activity fee schedules, and a description of [each] a class, program, or
637 service the LEA [proposes to offer to scholarship students; and] provides to a
638 home-based scholarship student;

- 639 ~~[(iv) any other information as required by the program manager;]~~
- 640 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d; and
- 641 (c) ~~[enter into an agreement with the program manager regarding]~~ ensure the provision of
- 642 services to a scholarship student through which:
- 643 (i) the scholarship student does not enroll in the LEA; and
- 644 (ii) in accordance with Subsection 53F-2-302(2), the LEA does not receive WPU
- 645 funding related to the student's participation with the LEA~~[-and]~~ .
- 646 ~~[(iii) the LEA and program manager ensure that a scholarship student does not~~
- 647 ~~participate in a course or program at the LEA except in accordance with the~~
- 648 ~~agreement described in this Subsection (5)(c) under the program.]~~
- 649 (6) An LEA described in Subsection (5) is not eligible to receive scholarship funds if:
- 650 (a) the LEA requires a public education system scholarship student to sign a contract
- 651 waiving the student's rights to ~~[transfer to]~~ engage with another qualifying provider
- 652 for a scholarship expense during the school year; or
- 653 (b) the LEA refuses to offer services that do not require LEA enrollment to scholarship
- 654 students under the program.
- 655 (7) Residential treatment facilities licensed by the state are not eligible to receive
- 656 scholarship funds.
- 657 (8) A private school or LEA intending to receive scholarship funds shall:
- 658 (a) (i) for a private school, submit an application to the program manager; ~~[and]~~ or
- 659 (ii) for an LEA, submit a notice to the program manager containing the information
- 660 described in Subsection (5)(a); and
- 661 (b) agree to not refund, rebate, or share scholarship funds with scholarship students or
- 662 scholarship student's parents in any manner except remittances or refunds to a
- 663 scholarship account in accordance with this part and procedures that the program
- 664 manager establishes.
- 665 (9) The program manager shall:
- 666 (a) if the private school or LEA meets the eligibility requirements of this section,
- 667 recognize the private school or LEA as an eligible school and, for a private school,
- 668 approve the application; and
- 669 (b) make available to the public a list of eligible schools approved under this section.
- 670 (10) A private school approved under this section that changes ownership shall:
- 671 (a) cease operation as an eligible school until:
- 672 (i) the school submits a new application to the program manager; and

- 673 (ii) the program manager approves the new application; and
674 (b) demonstrate that the private school continues to meet the eligibility requirements of
675 this section.

676 Section 7. Section **53F-6-409** is amended to read:

677 **53F-6-409 . Eligible service providers.**

- 678 (1) To be an eligible service provider, a private program or service:
679 (a) shall provide to the program manager:
680 (i) a federal employer identification number;
681 (ii) the provider's address and contact information;
682 (iii) a description of each program or service the provider proposes to offer directly to
683 a scholarship student; and
684 (iv) subject to Subsection (2), any other information as required by the program
685 manager;
686 (b) shall comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d; and
687 (c) may not act as a consultant, clearing house, or intermediary that connects a
688 scholarship student with or otherwise facilitates the student's engagement with a
689 program or service that another entity provides.
- 690 (2) The program manager shall adopt policies that maximize the number of eligible service
691 providers, including accepting new providers throughout the school year, while ensuring
692 education programs or services provided through the program meet student needs and
693 otherwise comply with this part.
- 694 (3) A private program or service intending to receive scholarship funds shall:
695 (a) submit an application to the program manager; and
696 (b) agree to not refund, rebate, or share scholarship funds with scholarship students or
697 scholarship students' parents in any manner except remittances or refunds to a
698 scholarship account in accordance with this part and procedures that the program
699 manager establishes.
- 700 (4) The program manager shall:
701 (a) if the private program or service meets the eligibility requirements of this section,
702 recognize the private program or service as an eligible service provider and approve a
703 private program or service's application to receive scholarship funds on behalf of a
704 scholarship student; and
705 (b) make available to the public a list of eligible service providers approved under this
706 section.

707 (5) A private program or service approved under this section that changes ownership shall:

708 (a) cease operation as an eligible service provider until:

709 (i) the program or service submits a new application to the program manager; and

710 (ii) the program manager approves the new application; and

711 (b) demonstrate that the private program or service continues to meet the eligibility
712 requirements of this section.

713 (6) The following are not eligible service providers:

714 (a) a parent of a home-based scholarship student or a home school student solely in
715 relation to the parent's child; or

716 (b) any other individual that does not meet the requirements described in this section.

717 (7) Nothing prohibits an entity that provides education services under the Statewide Online
718 Education Program described in Title 53F, Chapter 4, Part 5, Statewide Online
719 Education Program, from operating as an eligible service provider under this part to
720 provide education services to scholarship students.

721 Section 8. Section **53F-6-412** is amended to read:

722 **53F-6-412 . Reports.**

723 Beginning in 2025 and in accordance with Section 68-3-14 and the Family

724 Educational Rights and Privacy Act, 20 U.S.C. Sec. 1232g[~~z~~]

725 [(+)] the program manager shall submit a report on the program to the Education Interim
726 Committee no later than September 1 of each year that includes:

727 [(a)] (1) the total amount of tuition and fees qualifying providers charged for the current
728 year and previous two years;

729 [(b)] (2) the total amount of goods paid for with scholarship funds in the previous year and a
730 general characterization of the types of goods;

731 [(c)] (3) administrative costs of the program;

732 [(d)] (4) the number of scholarship students from each county and the aggregate number of
733 eligible students on the waitlist described in Section 53F-6-405;

734 [(e)] (5) the percentage of first-time scholarship students who were enrolled in a public
735 school during the previous school year or who entered kindergarten or a higher grade for
736 the first time in Utah;

737 [(f)] (6) the program manager's strategy and outreach efforts to reach eligible students
738 whose family income is at or below 200% of the federal poverty level and related
739 obstacles to enrollments;

740 [(g)] (7) in the report that the program manager submits in 2025, information on steps the

741 program manager has taken and processes the program manager has adopted to
 742 implement the program; and
 743 ~~[(h)]~~ (8) any other information regarding the program and the program's implementation that
 744 the committee requests~~[-and]~~ .

745 ~~[(2) the state board shall submit a report on the cost-effectiveness of the program to the
 746 Education Interim Committee no later than September 1 of each year.]~~

747 Section 9. Section **59-1-403** is amended to read:

748 **59-1-403 . Confidentiality -- Exceptions -- Penalty -- Application to property tax.**

749 (1) As used in this section:

750 (a) "Distributed tax, fee, or charge" means a tax, fee, or charge:

751 (i) the commission administers under:

752 (A) this title, other than a tax under Chapter 12, Part 2, Local Sales and Use Tax
 753 Act;

754 (B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

755 (C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

756 (D) Section 19-6-805;

757 (E) Section 63H-1-205; or

758 (F) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service
 759 Charges; and

760 (ii) with respect to which the commission distributes the revenue collected from the
 761 tax, fee, or charge to a qualifying jurisdiction.

762 (b) "Qualifying jurisdiction" means:

763 (i) a county, city, town, or metro township;

764 (ii) the military installation development authority created in Section 63H-1-201; or

765 (iii) the Utah Inland Port Authority created in Section 11-58-201.

766 (2) (a) Any of the following may not divulge or make known in any manner any
 767 information gained by that person from any return filed with the commission:

768 (i) a tax commissioner;

769 (ii) an agent, clerk, or other officer or employee of the commission; or

770 (iii) a representative, agent, clerk, or other officer or employee of any county, city, or
 771 town.

772 (b) An official charged with the custody of a return filed with the commission is not
 773 required to produce the return or evidence of anything contained in the return in any
 774 action or proceeding in any court, except:

- 775 (i) in accordance with judicial order;
- 776 (ii) on behalf of the commission in any action or proceeding under:
- 777 (A) this title; or
- 778 (B) other law under which persons are required to file returns with the
- 779 commission;
- 780 (iii) on behalf of the commission in any action or proceeding to which the
- 781 commission is a party; or
- 782 (iv) on behalf of any party to any action or proceeding under this title if the report or
- 783 facts shown by the return are directly involved in the action or proceeding.
- 784 (c) Notwithstanding Subsection (2)(b), a court may require the production of, and may
- 785 admit in evidence, any portion of a return or of the facts shown by the return, as are
- 786 specifically pertinent to the action or proceeding.
- 787 (3) This section does not prohibit:
- 788 (a) a person or that person's duly authorized representative from receiving a copy of any
- 789 return or report filed in connection with that person's own tax;
- 790 (b) the publication of statistics as long as the statistics are classified to prevent the
- 791 identification of particular reports or returns; and
- 792 (c) the inspection by the attorney general or other legal representative of the state of the
- 793 report or return of any taxpayer:
- 794 (i) who brings action to set aside or review a tax based on the report or return;
- 795 (ii) against whom an action or proceeding is contemplated or has been instituted
- 796 under this title; or
- 797 (iii) against whom the state has an unsatisfied money judgment.
- 798 (4) (a) Notwithstanding Subsection (2) and for purposes of administration, the
- 799 commission may by rule, made in accordance with Title 63G, Chapter 3, Utah
- 800 Administrative Rulemaking Act, provide for a reciprocal exchange of information
- 801 with:
- 802 (i) the United States Internal Revenue Service; or
- 803 (ii) the revenue service of any other state.
- 804 (b) Notwithstanding Subsection (2) and for all taxes except individual income tax and
- 805 corporate franchise tax, the commission may by rule, made in accordance with Title
- 806 63G, Chapter 3, Utah Administrative Rulemaking Act, share information gathered
- 807 from returns and other written statements with the federal government, any other
- 808 state, any of the political subdivisions of another state, or any political subdivision of

- 809 this state, except as limited by Sections 59-12-209 and 59-12-210, if the political
810 subdivision, other state, or the federal government grant substantially similar
811 privileges to this state.
- 812 (c) Notwithstanding Subsection (2) and for all taxes except individual income tax and
813 corporate franchise tax, the commission may by rule, in accordance with Title 63G,
814 Chapter 3, Utah Administrative Rulemaking Act, provide for the issuance of
815 information concerning the identity and other information of taxpayers who have
816 failed to file tax returns or to pay any tax due.
- 817 (d) Notwithstanding Subsection (2), the commission shall provide to the director of the
818 Division of Environmental Response and Remediation, as defined in Section
819 19-6-402, as requested by the director of the Division of Environmental Response
820 and Remediation, any records, returns, or other information filed with the
821 commission under Chapter 13, Motor and Special Fuel Tax Act, or Section
822 19-6-410.5 regarding the environmental assurance program participation fee.
- 823 (e) Notwithstanding Subsection (2), at the request of any person the commission shall
824 provide that person sales and purchase volume data reported to the commission on a
825 report, return, or other information filed with the commission under:
- 826 (i) Chapter 13, Part 2, Motor Fuel; or
827 (ii) Chapter 13, Part 4, Aviation Fuel.
- 828 (f) Notwithstanding Subsection (2), upon request from a tobacco product manufacturer,
829 as defined in Section 59-22-202, the commission shall report to the manufacturer:
- 830 (i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
831 manufacturer and reported to the commission for the previous calendar year under
832 Section 59-14-407; and
- 833 (ii) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
834 manufacturer for which a tax refund was granted during the previous calendar
835 year under Section 59-14-401 and reported to the commission under Subsection
836 59-14-401(1)(a)(v).
- 837 (g) Notwithstanding Subsection (2), the commission shall notify manufacturers,
838 distributors, wholesalers, and retail dealers of a tobacco product manufacturer that is
839 prohibited from selling cigarettes to consumers within the state under Subsection
840 59-14-210(2).
- 841 (h) Notwithstanding Subsection (2), the commission may:
- 842 (i) provide to the Division of Consumer Protection within the Department of

- 843 Commerce and the attorney general data:
- 844 (A) reported to the commission under Section 59-14-212; or
- 845 (B) related to a violation under Section 59-14-211; and
- 846 (ii) upon request, provide to any person data reported to the commission under
- 847 Subsections 59-14-212(1)(a) through (c) and Subsection 59-14-212(1)(g).
- 848 (i) Notwithstanding Subsection (2), the commission shall, at the request of a committee
- 849 of the Legislature, the Office of the Legislative Fiscal Analyst, or the Governor's
- 850 Office of Planning and Budget, provide to the committee or office the total amount of
- 851 revenues collected by the commission under Chapter 24, Radioactive Waste Facility
- 852 Tax Act, for the time period specified by the committee or office.
- 853 (j) Notwithstanding Subsection (2), the commission shall make the directory required by
- 854 Section 59-14-603 available for public inspection.
- 855 (k) Notwithstanding Subsection (2), the commission may share information with federal,
- 856 state, or local agencies as provided in Subsection 59-14-606(3).
- 857 (l) (i) Notwithstanding Subsection (2), the commission shall provide the Office of
- 858 Recovery Services within the Department of Health and Human Services any
- 859 relevant information obtained from a return filed under Chapter 10, Individual
- 860 Income Tax Act, regarding a taxpayer who has become obligated to the Office of
- 861 Recovery Services.
- 862 (ii) The information described in Subsection (4)(l)(i) may be provided by the Office
- 863 of Recovery Services to any other state's child support collection agency involved
- 864 in enforcing that support obligation.
- 865 (m) (i) Notwithstanding Subsection (2), upon request from the state court
- 866 administrator, the commission shall provide to the state court administrator, the
- 867 name, address, telephone number, county of residence, and social security number
- 868 on resident returns filed under Chapter 10, Individual Income Tax Act.
- 869 (ii) The state court administrator may use the information described in Subsection
- 870 (4)(m)(i) only as a source list for the master jury list described in Section
- 871 78B-1-106.
- 872 (n) (i) As used in this Subsection (4)(n):
- 873 (A) "GO Utah office" means the Governor's Office of Economic Opportunity
- 874 created in Section 63N-1a-301.
- 875 (B) "Income tax information" means information gained by the commission that is
- 876 required to be attached to or included in a return filed with the commission

- 877 under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10,
878 Individual Income Tax Act.
- 879 (C) "Other tax information" means information gained by the commission that is
880 required to be attached to or included in a return filed with the commission
881 except for a return filed under Chapter 7, Corporate Franchise and Income
882 Taxes, or Chapter 10, Individual Income Tax Act.
- 883 (D) "Tax information" means income tax information or other tax information.
- 884 (ii) (A) Notwithstanding Subsection (2) and except as provided in Subsection
885 (4)(n)(ii)(B) or (C), the commission shall at the request of the GO Utah office
886 provide to the GO Utah office all income tax information.
- 887 (B) For purposes of a request for income tax information made under Subsection
888 (4)(n)(ii)(A), the GO Utah office may not request and the commission may not
889 provide to the GO Utah office a person's address, name, social security
890 number, or taxpayer identification number.
- 891 (C) In providing income tax information to the GO Utah office, the commission
892 shall in all instances protect the privacy of a person as required by Subsection
893 (4)(n)(ii)(B).
- 894 (iii) (A) Notwithstanding Subsection (2) and except as provided in Subsection
895 (4)(n)(iii)(B), the commission shall at the request of the GO Utah office
896 provide to the GO Utah office other tax information.
- 897 (B) Before providing other tax information to the GO Utah office, the commission
898 shall redact or remove any name, address, social security number, or taxpayer
899 identification number.
- 900 (iv) The GO Utah office may provide tax information received from the commission
901 in accordance with this Subsection (4)(n) only:
- 902 (A) as a fiscal estimate, fiscal note information, or statistical information; and
903 (B) if the tax information is classified to prevent the identification of a particular
904 return.
- 905 (v) (A) A person may not request tax information from the GO Utah office under
906 Title 63G, Chapter 2, Government Records Access and Management Act, or
907 this section, if the GO Utah office received the tax information from the
908 commission in accordance with this Subsection (4)(n).
- 909 (B) The GO Utah office may not provide to a person that requests tax information
910 in accordance with Subsection (4)(n)(v)(A) any tax information other than the

- 911 tax information the GO Utah office provides in accordance with Subsection
912 (4)(n)(iv).
- 913 (o) Notwithstanding Subsection (2), the commission may provide to the governing board
914 of the agreement or a taxing official of another state, the District of Columbia, the
915 United States, or a territory of the United States:
- 916 (i) the following relating to an agreement sales and use tax:
- 917 (A) information contained in a return filed with the commission;
- 918 (B) information contained in a report filed with the commission;
- 919 (C) a schedule related to Subsection (4)(o)(i)(A) or (B); or
- 920 (D) a document filed with the commission; or
- 921 (ii) a report of an audit or investigation made with respect to an agreement sales and
922 use tax.
- 923 (p) Notwithstanding Subsection (2), the commission may provide information
924 concerning a taxpayer's state income tax return or state income tax withholding
925 information to the Driver License Division if the Driver License Division:
- 926 (i) requests the information; and
- 927 (ii) provides the commission with a signed release form from the taxpayer allowing
928 the Driver License Division access to the information.
- 929 (q) Notwithstanding Subsection (2), the commission shall provide to the Utah
930 Communications Authority, or a division of the Utah Communications Authority, the
931 information requested by the authority under Sections 63H-7a-302, 63H-7a-402, and
932 63H-7a-502.
- 933 (r) Notwithstanding Subsection (2), the commission shall provide to the Utah
934 Educational Savings Plan information related to a resident or nonresident individual's
935 contribution to a Utah Educational Savings Plan account as designated on the
936 resident or nonresident's individual income tax return as provided under Section
937 59-10-1313.
- 938 (s) Notwithstanding Subsection (2), for the purpose of verifying eligibility under
939 Sections 26B-3-106 and 26B-3-903, the commission shall provide an eligibility
940 worker with the Department of Health and Human Services or its designee with the
941 adjusted gross income of an individual if:
- 942 (i) an eligibility worker with the Department of Health and Human Services or its
943 designee requests the information from the commission; and
- 944 (ii) the eligibility worker has complied with the identity verification and consent

- 945 provisions of Sections 26B-3-106 and 26B-3-903.
- 946 (t) Notwithstanding Subsection (2), the commission may provide to a county, as
947 determined by the commission, information declared on an individual income tax
948 return in accordance with Section 59-10-103.1 that relates to eligibility to claim a
949 residential exemption authorized under Section 59-2-103.
- 950 (u) Notwithstanding Subsection (2), the commission shall provide a report regarding any
951 access line provider that is over 90 days delinquent in payment to the commission of
952 amounts the access line provider owes under Title 69, Chapter 2, Part 4, Prepaid
953 Wireless Telecommunications Service Charges, to the board of the Utah
954 Communications Authority created in Section 63H-7a-201.
- 955 (v) Notwithstanding Subsection (2), the commission shall provide the Department of
956 Environmental Quality a report on the amount of tax paid by a radioactive waste
957 facility for the previous calendar year under Section 59-24-103.5.
- 958 (w) Notwithstanding Subsection (2), the commission may, upon request, provide to the
959 Department of Workforce Services any information received under Chapter 10, Part
960 4, Withholding of Tax, that is relevant to the duties of the Department of Workforce
961 Services.
- 962 (x) Notwithstanding Subsection (2), the commission may provide the Public Service
963 Commission or the Division of Public Utilities information related to a seller that
964 collects and remits to the commission a charge described in Subsection 69-2-405(2),
965 including the seller's identity and the number of charges described in Subsection
966 69-2-405(2) that the seller collects.
- 967 (y) (i) Notwithstanding Subsection (2), the commission shall provide to each
968 qualifying jurisdiction the collection data necessary to verify the revenue collected
969 by the commission for a distributed tax, fee, or charge collected within the
970 qualifying jurisdiction.
- 971 (ii) In addition to the information provided under Subsection (4)(y)(i), the
972 commission shall provide a qualifying jurisdiction with copies of returns and other
973 information relating to a distributed tax, fee, or charge collected within the
974 qualifying jurisdiction.
- 975 (iii) (A) To obtain the information described in Subsection (4)(y)(ii), the chief
976 executive officer or the chief executive officer's designee of the qualifying
977 jurisdiction shall submit a written request to the commission that states the
978 specific information sought and how the qualifying jurisdiction intends to use

979 the information.

980 (B) The information described in Subsection (4)(y)(ii) is available only in official
981 matters of the qualifying jurisdiction.

982 (iv) Information that a qualifying jurisdiction receives in response to a request under
983 this subsection is:

984 (A) classified as a private record under Title 63G, Chapter 2, Government Records
985 Access and Management Act; and

986 (B) subject to the confidentiality requirements of this section.

987 (z) Notwithstanding Subsection (2), the commission shall provide the Alcoholic
988 Beverage Services Commission, upon request, with taxpayer status information
989 related to state tax obligations necessary to comply with the requirements described
990 in Section 32B-1-203.

991 (aa) Notwithstanding Subsection (2), the commission shall inform the Department of
992 Workforce Services, as soon as practicable, whether an individual claimed and is
993 entitled to claim a federal earned income tax credit for the year requested by the
994 Department of Workforce Services if:

995 (i) the Department of Workforce Services requests this information; and

996 (ii) the commission has received the information release described in Section
997 35A-9-604.

998 (bb) (i) As used in this Subsection (4)(bb), "unclaimed property administrator" means
999 the administrator or the administrator's agent, as those terms are defined in Section
1000 67-4a-102.

1001 (ii) (A) Notwithstanding Subsection (2), upon request from the unclaimed
1002 property administrator and to the extent allowed under federal law, the
1003 commission shall provide the unclaimed property administrator the name,
1004 address, telephone number, county of residence, and social security number or
1005 federal employer identification number on any return filed under Chapter 7,
1006 Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax
1007 Act.

1008 (B) The unclaimed property administrator may use the information described in
1009 Subsection (4)(aa)(ii)(A) only for the purpose of returning unclaimed property
1010 to the property's owner in accordance with Title 67, Chapter 4a, Revised
1011 Uniform Unclaimed Property Act.

1012 (iii) The unclaimed property administrator is subject to the confidentiality provisions

- 1013 of this section with respect to any information the unclaimed property
1014 administrator receives under this Subsection (4)(aa).
- 1015 (cc) Notwithstanding Subsection (2), the commission may, upon request, disclose a
1016 taxpayer's state individual income tax information to a program manager of the Utah
1017 Fits All Scholarship Program under Section 53F-6-402 if:
- 1018 (i) the taxpayer consents in writing to the disclosure;
1019 (ii) the taxpayer's written consent includes the taxpayer's name, social security
1020 number, and any other information the commission requests that is necessary to
1021 verify the identity of the taxpayer; and
1022 (iii) the program manager provides the taxpayer's written consent to the commission.
- 1023 (5) (a) Each report and return shall be preserved for at least three years.
1024 (b) After the three-year period provided in Subsection (5)(a) the commission may
1025 destroy a report or return.
- 1026 (6) (a) Any individual who violates this section is guilty of a class A misdemeanor.
1027 (b) If the individual described in Subsection (6)(a) is an officer or employee of the state,
1028 the individual shall be dismissed from office and be disqualified from holding public
1029 office in this state for a period of five years thereafter.
- 1030 (c) Notwithstanding Subsection (6)(a) or (b), the GO Utah office, when requesting
1031 information in accordance with Subsection (4)(n)(iii), or an individual who requests
1032 information in accordance with Subsection (4)(n)(v):
- 1033 (i) is not guilty of a class A misdemeanor; and
1034 (ii) is not subject to:
- 1035 (A) dismissal from office in accordance with Subsection (6)(b); or
1036 (B) disqualification from holding public office in accordance with Subsection
1037 (6)(b).
- 1038 (d) Notwithstanding Subsection (6)(a) or (b), for a disclosure of information to the
1039 Office of the Legislative Auditor General in accordance with Title 36, Chapter 12,
1040 Legislative Organization, an individual described in Subsection (2):
- 1041 (i) is not guilty of a class A misdemeanor; and
1042 (ii) is not subject to:
- 1043 (A) dismissal from office in accordance with Subsection (6)(b); or
1044 (B) disqualification from holding public office in accordance with Subsection
1045 (6)(b).
- 1046 (7) Except as provided in Section 59-1-404, this part does not apply to the property tax.

1047 Section 10. Section **67-3-1** is amended to read:

1048 **67-3-1 . Functions and duties.**

- 1049 (1) (a) The state auditor is the auditor of public accounts and is independent of any
1050 executive or administrative officers of the state.
- 1051 (b) The state auditor is not limited in the selection of personnel or in the determination
1052 of the reasonable and necessary expenses of the state auditor's office.
- 1053 (2) The state auditor shall examine and certify annually in respect to each fiscal year,
1054 financial statements showing:
- 1055 (a) the condition of the state's finances;
- 1056 (b) the revenues received or accrued;
- 1057 (c) expenditures paid or accrued;
- 1058 (d) the amount of unexpended or unencumbered balances of the appropriations to the
1059 agencies, departments, divisions, commissions, and institutions; and
- 1060 (e) the cash balances of the funds in the custody of the state treasurer.
- 1061 (3) (a) The state auditor shall:
- 1062 (i) audit each permanent fund, each special fund, the General Fund, and the accounts
1063 of any department of state government or any independent agency or public
1064 corporation as the law requires, as the auditor determines is necessary, or upon
1065 request of the governor or the Legislature;
- 1066 (ii) perform the audits in accordance with generally accepted auditing standards and
1067 other auditing procedures as promulgated by recognized authoritative bodies; and
- 1068 (iii) as the auditor determines is necessary, conduct the audits to determine:
- 1069 (A) honesty and integrity in fiscal affairs;
- 1070 (B) accuracy and reliability of financial statements;
- 1071 (C) effectiveness and adequacy of financial controls; and
- 1072 (D) compliance with the law.
- 1073 (b) If any state entity receives federal funding, the state auditor shall ensure that the
1074 audit is performed in accordance with federal audit requirements.
- 1075 (c) (i) The costs of the federal compliance portion of the audit may be paid from an
1076 appropriation to the state auditor from the General Fund.
- 1077 (ii) If an appropriation is not provided, or if the federal government does not
1078 specifically provide for payment of audit costs, the costs of the federal compliance
1079 portions of the audit shall be allocated on the basis of the percentage that each
1080 state entity's federal funding bears to the total federal funds received by the state.

- 1081 (iii) The allocation shall be adjusted to reflect any reduced audit time required to
1082 audit funds passed through the state to local governments and to reflect any
1083 reduction in audit time obtained through the use of internal auditors working
1084 under the direction of the state auditor.
- 1085 (4) (a) Except as provided in Subsection (4)(b), the state auditor shall, in addition to
1086 financial audits, and as the auditor determines is necessary, conduct performance and
1087 special purpose audits, examinations, and reviews of any entity that receives public
1088 funds, including a determination of any or all of the following:
- 1089 (i) the honesty and integrity of all the entity's fiscal affairs;
 - 1090 (ii) whether the entity's administrators have faithfully complied with legislative intent;
 - 1091 (iii) whether the entity's operations have been conducted in an efficient, effective, and
1092 cost-efficient manner;
 - 1093 (iv) whether the entity's programs have been effective in accomplishing the intended
1094 objectives; and
 - 1095 (v) whether the entity's management, control, and information systems are adequate,
1096 effective, and secure.
- 1097 (b) The auditor may not conduct performance and special purpose audits, examinations,
1098 and reviews of any entity that receives public funds if the entity:
- 1099 (i) has an elected auditor; and
 - 1100 (ii) has, within the entity's last budget year, had the entity's financial statements or
1101 performance formally reviewed by another outside auditor.
- 1102 (5) The state auditor:
- 1103 (a) shall administer any oath or affirmation necessary to the performance of the duties of
1104 the auditor's office; and
 - 1105 (b) may:
 - 1106 (i) subpoena witnesses and documents, whether electronic or otherwise; and
 - 1107 (ii) examine into any matter that the auditor considers necessary.
- 1108 (6) The state auditor may require all persons who have had the disposition or management
1109 of any property of this state or its political subdivisions to submit statements regarding
1110 the property at the time and in the form that the auditor requires.
- 1111 (7) The state auditor shall:
- 1112 (a) except where otherwise provided by law, institute suits in Salt Lake County in
1113 relation to the assessment, collection, and payment of revenues against:
 - 1114 (i) persons who by any means have become entrusted with public money or property

- 1115 and have failed to pay over or deliver the money or property; and
- 1116 (ii) all debtors of the state;
- 1117 (b) collect and pay into the state treasury all fees received by the state auditor;
- 1118 (c) perform the duties of a member of all boards of which the state auditor is a member
- 1119 by the constitution or laws of the state, and any other duties that are prescribed by the
- 1120 constitution and by law;
- 1121 (d) stop the payment of the salary of any state official or state employee who:
- 1122 (i) refuses to settle accounts or provide required statements about the custody and
- 1123 disposition of public funds or other state property;
- 1124 (ii) refuses, neglects, or ignores the instruction of the state auditor or any controlling
- 1125 board or department head with respect to the manner of keeping prescribed
- 1126 accounts or funds; or
- 1127 (iii) fails to correct any delinquencies, improper procedures, and errors brought to the
- 1128 official's or employee's attention;
- 1129 (e) establish accounting systems, methods, and forms for public accounts in all taxing or
- 1130 fee-assessing units of the state in the interest of uniformity, efficiency, and economy;
- 1131 (f) superintend the contractual auditing of all state accounts;
- 1132 (g) subject to Subsection (8)(a), withhold state allocated funds or the disbursement of
- 1133 property taxes from a state or local taxing or fee-assessing unit, if necessary, to
- 1134 ensure that officials and employees in those taxing units comply with state laws and
- 1135 procedures in the budgeting, expenditures, and financial reporting of public funds;
- 1136 (h) subject to Subsection (9), withhold the disbursement of tax money from any county,
- 1137 if necessary, to ensure that officials and employees in the county comply with
- 1138 Section 59-2-303.1; and
- 1139 (i) withhold state allocated funds or the disbursement of property taxes from a local
- 1140 government entity or a limited purpose entity, as those terms are defined in Section
- 1141 67-1a-15 if the state auditor finds the withholding necessary to ensure that the entity
- 1142 registers and maintains the entity's registration with the lieutenant governor, in
- 1143 accordance with Section 67-1a-15.
- 1144 (8) (a) Except as otherwise provided by law, the state auditor may not withhold funds
- 1145 under Subsection (7)(g) until a state or local taxing or fee-assessing unit has received
- 1146 formal written notice of noncompliance from the auditor and has been given 60 days
- 1147 to make the specified corrections.
- 1148 (b) If, after receiving notice under Subsection (8)(a), a state or independent local

- 1149 fee-assessing unit that exclusively assesses fees has not made corrections to comply
1150 with state laws and procedures in the budgeting, expenditures, and financial reporting
1151 of public funds, the state auditor:
- 1152 (i) shall provide a recommended timeline for corrective actions;
- 1153 (ii) may prohibit the state or local fee-assessing unit from accessing money held by
1154 the state; and
- 1155 (iii) may prohibit a state or local fee-assessing unit from accessing money held in an
1156 account of a financial institution by filing an action in district court requesting an
1157 order of the court to prohibit a financial institution from providing the
1158 fee-assessing unit access to an account.
- 1159 (c) The state auditor shall remove a limitation on accessing funds under Subsection
1160 (8)(b) upon compliance with state laws and procedures in the budgeting,
1161 expenditures, and financial reporting of public funds.
- 1162 (d) If a local taxing or fee-assessing unit has not adopted a budget in compliance with
1163 state law, the state auditor:
- 1164 (i) shall provide notice to the taxing or fee-assessing unit of the unit's failure to
1165 comply;
- 1166 (ii) may prohibit the taxing or fee-assessing unit from accessing money held by the
1167 state; and
- 1168 (iii) may prohibit a taxing or fee-assessing unit from accessing money held in an
1169 account of a financial institution by:
- 1170 (A) contacting the taxing or fee-assessing unit's financial institution and
1171 requesting that the institution prohibit access to the account; or
- 1172 (B) filing an action in district court requesting an order of the court to prohibit a
1173 financial institution from providing the taxing or fee-assessing unit access to an
1174 account.
- 1175 (e) If the local taxing or fee-assessing unit adopts a budget in compliance with state law,
1176 the state auditor shall eliminate a limitation on accessing funds described in
1177 Subsection (8)(d).
- 1178 (9) The state auditor may not withhold funds under Subsection (7)(h) until a county has
1179 received formal written notice of noncompliance from the auditor and has been given 60
1180 days to make the specified corrections.
- 1181 (10) (a) The state auditor may not withhold funds under Subsection (7)(i) until the state
1182 auditor receives a notice of non-registration, as that term is defined in Section

- 1183 67-1a-15.
- 1184 (b) If the state auditor receives a notice of non-registration, the state auditor may
- 1185 prohibit the local government entity or limited purpose entity, as those terms are
- 1186 defined in Section 67-1a-15, from accessing:
- 1187 (i) money held by the state; and
- 1188 (ii) money held in an account of a financial institution by:
- 1189 (A) contacting the entity's financial institution and requesting that the institution
- 1190 prohibit access to the account; or
- 1191 (B) filing an action in district court requesting an order of the court to prohibit a
- 1192 financial institution from providing the entity access to an account.
- 1193 (c) The state auditor shall remove the prohibition on accessing funds described in
- 1194 Subsection (10)(b) if the state auditor received a notice of registration, as that term is
- 1195 defined in Section 67-1a-15, from the lieutenant governor.
- 1196 (11) Notwithstanding Subsection (7)(g), (7)(h), (7)(i), (8)(b), (8)(d), or (10)(b), the state
- 1197 auditor:
- 1198 (a) shall authorize a disbursement by a local government entity or limited purpose entity,
- 1199 as those terms are defined in Section 67-1a-15, or a state or local taxing or
- 1200 fee-assessing unit if the disbursement is necessary to:
- 1201 (i) avoid a major disruption in the operations of the local government entity, limited
- 1202 purpose entity, or state or local taxing or fee-assessing unit; or
- 1203 (ii) meet debt service obligations; and
- 1204 (b) may authorize a disbursement by a local government entity, limited purpose entity,
- 1205 or state or local taxing or fee-assessing unit as the state auditor determines is
- 1206 appropriate.
- 1207 (12) (a) The state auditor may seek relief under the Utah Rules of Civil Procedure to
- 1208 take temporary custody of public funds if an action is necessary to protect public
- 1209 funds from being improperly diverted from their intended public purpose.
- 1210 (b) If the state auditor seeks relief under Subsection (12)(a):
- 1211 (i) the state auditor is not required to exhaust the procedures in Subsection (7) or (8);
- 1212 and
- 1213 (ii) the state treasurer may hold the public funds in accordance with Section 67-4-1 if
- 1214 a court orders the public funds to be protected from improper diversion from their
- 1215 public purpose.
- 1216 (13) The state auditor shall:

- 1217 (a) establish audit guidelines and procedures for audits of local mental health and
1218 substance abuse authorities and their contract providers, conducted pursuant to Title
1219 17, Chapter 43, Part 2, Local Substance Abuse Authorities, Title 17, Chapter 43, Part
1220 3, Local Mental Health Authorities, Title 26B, Chapter 5, Health Care - Substance
1221 Use and Mental Health, and Title 51, Chapter 2a, Accounting Reports from Political
1222 Subdivisions, Interlocal Organizations, and Other Local Entities Act; and
- 1223 (b) ensure that those guidelines and procedures provide assurances to the state that:
- 1224 (i) state and federal funds appropriated to local mental health authorities are used for
1225 mental health purposes;
- 1226 (ii) a private provider under an annual or otherwise ongoing contract to provide
1227 comprehensive mental health programs or services for a local mental health
1228 authority is in compliance with state and local contract requirements and state and
1229 federal law;
- 1230 (iii) state and federal funds appropriated to local substance abuse authorities are used
1231 for substance abuse programs and services; and
- 1232 (iv) a private provider under an annual or otherwise ongoing contract to provide
1233 comprehensive substance abuse programs or services for a local substance abuse
1234 authority is in compliance with state and local contract requirements, and state and
1235 federal law.
- 1236 (14) (a) The state auditor may, in accordance with the auditor's responsibilities for
1237 political subdivisions of the state as provided in Title 51, Chapter 2a, Accounting
1238 Reports from Political Subdivisions, Interlocal Organizations, and Other Local
1239 Entities Act, initiate audits or investigations of any political subdivision that are
1240 necessary to determine honesty and integrity in fiscal affairs, accuracy and reliability
1241 of financial statements, effectiveness, and adequacy of financial controls and
1242 compliance with the law.
- 1243 (b) If the state auditor receives notice under Subsection 11-41-104(7) from the
1244 Governor's Office of Economic Opportunity on or after July 1, 2024, the state auditor
1245 may initiate an audit or investigation of the public entity subject to the notice to
1246 determine compliance with Section 11-41-103.
- 1247 (15) (a) The state auditor may not audit work that the state auditor performed before
1248 becoming state auditor.
- 1249 (b) If the state auditor has previously been a responsible official in state government
1250 whose work has not yet been audited, the Legislature shall:

- 1251 (i) designate how that work shall be audited; and
1252 (ii) provide additional funding for those audits, if necessary.
- 1253 (16) The state auditor shall:
- 1254 (a) with the assistance, advice, and recommendations of an advisory committee
1255 appointed by the state auditor from among special district boards of trustees, officers,
1256 and employees and special service district boards, officers, and employees:
- 1257 (i) prepare a Uniform Accounting Manual for Special Districts that:
- 1258 (A) prescribes a uniform system of accounting and uniform budgeting and
1259 reporting procedures for special districts under Title 17B, Limited Purpose
1260 Local Government Entities - Special Districts, and special service districts
1261 under Title 17D, Chapter 1, Special Service District Act;
- 1262 (B) conforms with generally accepted accounting principles; and
1263 (C) prescribes reasonable exceptions and modifications for smaller districts to the
1264 uniform system of accounting, budgeting, and reporting;
- 1265 (ii) maintain the manual under this Subsection (16)(a) so that the manual continues to
1266 reflect generally accepted accounting principles;
- 1267 (iii) conduct a continuing review and modification of procedures in order to improve
1268 them;
- 1269 (iv) prepare and supply each district with suitable budget and reporting forms; and
1270 (v) (A) prepare instructional materials, conduct training programs, and render
1271 other services considered necessary to assist special districts and special
1272 service districts in implementing the uniform accounting, budgeting, and
1273 reporting procedures; and
1274 (B) ensure that any training described in Subsection (16)(a)(v)(A) complies with
1275 Title 63G, Chapter 22, State Training and Certification Requirements; and
- 1276 (b) continually analyze and evaluate the accounting, budgeting, and reporting practices
1277 and experiences of specific special districts and special service districts selected by
1278 the state auditor and make the information available to all districts.
- 1279 (17) (a) The following records in the custody or control of the state auditor are protected
1280 records under Title 63G, Chapter 2, Government Records Access and Management
1281 Act:
- 1282 (i) records that would disclose information relating to allegations of personal
1283 misconduct, gross mismanagement, or illegal activity of a past or present
1284 governmental employee if the information or allegation cannot be corroborated by

- 1285 the state auditor through other documents or evidence, and the records relating to
1286 the allegation are not relied upon by the state auditor in preparing a final audit
1287 report;
- 1288 (ii) records and audit workpapers to the extent the workpapers would disclose the
1289 identity of an individual who during the course of an audit, communicated the
1290 existence of any waste of public funds, property, or manpower, or a violation or
1291 suspected violation of a law, rule, or regulation adopted under the laws of this
1292 state, a political subdivision of the state, or any recognized entity of the United
1293 States, if the information was disclosed on the condition that the identity of the
1294 individual be protected;
- 1295 (iii) before an audit is completed and the final audit report is released, records or
1296 drafts circulated to an individual who is not an employee or head of a
1297 governmental entity for the individual's response or information;
- 1298 (iv) records that would disclose an outline or part of any audit survey plans or audit
1299 program; and
- 1300 (v) requests for audits, if disclosure would risk circumvention of an audit.
- 1301 (b) The provisions of Subsections (17)(a)(i), (ii), and (iii) do not prohibit the disclosure
1302 of records or information that relate to a violation of the law by a governmental entity
1303 or employee to a government prosecutor or peace officer.
- 1304 (c) The provisions of this Subsection (17) do not limit the authority otherwise given to
1305 the state auditor to classify a document as public, private, controlled, or protected
1306 under Title 63G, Chapter 2, Government Records Access and Management Act.
- 1307 (d) (i) As used in this Subsection (17)(d), "record dispute" means a dispute between
1308 the state auditor and the subject of an audit performed by the state auditor as to
1309 whether the state auditor may release a record, as defined in Section 63G-2-103,
1310 to the public that the state auditor gained access to in the course of the state
1311 auditor's audit but which the subject of the audit claims is not subject to disclosure
1312 under Title 63G, Chapter 2, Government Records Access and Management Act.
- 1313 (ii) The state auditor may submit a record dispute to the State Records Committee,
1314 created in Section 63G-2-501, for a determination of whether the state auditor
1315 may, in conjunction with the state auditor's release of an audit report, release to
1316 the public the record that is the subject of the record dispute.
- 1317 (iii) The state auditor or the subject of the audit may seek judicial review of a State
1318 Records Committee determination under Subsection (17)(d)(ii), as provided in

1319 Section 63G-2-404.

1320 (18) If the state auditor conducts an audit of an entity that the state auditor has previously
1321 audited and finds that the entity has not implemented a recommendation made by the
1322 state auditor in a previous audit, the state auditor shall notify the Legislative
1323 Management Committee through the Legislative Management Committee's audit
1324 subcommittee that the entity has not implemented that recommendation.

1325 (19) The state auditor shall, with the advice and consent of the Senate, appoint the state
1326 privacy officer described in Section 67-3-13.

1327 (20) Except as provided in Subsection (21), the state auditor shall report, or ensure that
1328 another government entity reports, on the financial, operational, and performance
1329 metrics for the state system of higher education and the state system of public education,
1330 including metrics in relation to students, programs, and schools within those systems.

1331 (21) (a) Notwithstanding Subsection (20), the state auditor shall conduct regular audits
1332 of:

1333 (i) the scholarship granting organization for the Special Needs Opportunity
1334 Scholarship Program, created in Section 53E-7-402;

1335 (ii) the State Board of Education for the Carson Smith Scholarship Program, created
1336 in Section 53F-4-302; and

1337 (iii) the scholarship program manager for the Utah Fits All Scholarship Program,
1338 created in Section 53F-6-402, including an analysis of the cost effectiveness of the
1339 program, taking into consideration the amount of the scholarship and the amount
1340 of state and local funds dedicated on a per-student basis within the traditional
1341 public education system.

1342 (b) Nothing in this subsection limits or impairs the authority of the State Board of
1343 Education to administer the programs described in Subsection (21)(a).

1344 (22) The state auditor shall, based on the information posted by the Office of Legislative
1345 Research and General Counsel under Subsection 36-12-12.1(2), for each policy, track
1346 and post the following information on the state auditor's website:

1347 (a) the information posted under Subsections 36-12-12.1(2)(a) through (e);

1348 (b) an indication regarding whether the policy is timely adopted, adopted late, or not
1349 adopted;

1350 (c) an indication regarding whether the policy complies with the requirements
1351 established by law for the policy; and

1352 (d) a link to the policy.

- 1353 (23) (a) A legislator may request that the state auditor conduct an inquiry to determine
1354 whether a government entity, government official, or government employee has
1355 complied with a legal obligation directly imposed, by statute, on the government
1356 entity, government official, or government employee.
- 1357 (b) The state auditor may, upon receiving a request under Subsection (23)(a), conduct
1358 the inquiry requested.
- 1359 (c) If the state auditor conducts the inquiry described in Subsection (23)(b), the state
1360 auditor shall post the results of the inquiry on the state auditor's website.
- 1361 (d) The state auditor may limit the inquiry described in this Subsection (23) to a simple
1362 determination, without conducting an audit, regarding whether the obligation was
1363 fulfilled.

1364 Section 11. **Effective date.**

1365 This bill takes effect on May 1, 2024.