

SB0080S03 compared with SB0080S01

~~{Omitted text}~~ shows text that was in SB0080S01 but was omitted in SB0080S03

inserted text shows text that was not in SB0080S01 but was inserted into SB0080S03

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1 **{~~Drinking~~} Water Fee Amendments**
2025 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Scott D. Sandall
House Sponsor: Casey Snider



2
3 **LONG TITLE**

4 **General Description:**

5 This bill ~~{ modifies the Safe Drinking Water Act }~~ allows state agencies to ~~{ include }~~ develop a fee
6 schedule for water consumption.

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ defines terms;
- 8 ▶ requires the Department of Environmental Quality (department) to establish a fee schedule;
- 11 ▶ allows the Water Development Coordinating Council (state council) to establish a fee
12 schedule beginning on July 1, 2026, subject to approval by the Legislature;
- 13 ▶ exempts a special district from certain fee requirements to pay the fees established by the
14 department and state council;
- 10 ▶ outlines requirements related to the fee ~~{ schedule }~~ schedules;
- 11 ▶ allows the department to establish a financial incentive to comply with certain criteria;
- 12 ▶ provides for the collection of fees by the department and, pending approval by the Legislature, the
13 collection of fees by the state council;

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- 13 ▶ creates an exemption {~~related to~~} for a wholesale water {~~suppliers~~} supplier and agricultural
14 water from the fees;
15 ▶ provides {~~that~~} for the deposit of fees {~~are treated as dedicated credits~~} into the Water
16 Infrastructure Fund less the department's costs;
17 ▶ requires the department and state council to report on the fee schedule to the Natural Resources,
18 Agriculture, and Environment Interim Committee; {~~and~~}
19 ▶ requires monitoring of fees{~~:~~} ; and
20 ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

21 None

Other Special Clauses:

22 This bill provides a special effective date.

AMENDS:

23 **17B-1-121 (Effective 05/07/25), as last amended by Laws of Utah 2023, Chapter**
24 **15 (Effective 05/07/25), as last amended by Laws of Utah 2023, Chapter 15**

25 **17B-1-643 (Effective 05/07/25), as last amended by Laws of Utah 2024, Chapter**
26 **382 (Effective 05/07/25), as last amended by Laws of Utah 2024, Chapter 382**

27 **63I-2-219 (Effective 05/07/25), as last amended by Laws of Utah 2024, Third Special Session,**
28 **Chapter 5 (Effective 05/07/25), as last amended by Laws of Utah 2024, Third Special Session,**
29 **Chapter 5**

30 **63I-2-273 (Effective 07/01/26), as last amended by Laws of Utah 2024, Third Special**
31 **Session, Chapter 5 (Effective 07/01/26), as last amended by Laws of Utah 2024, Third**
32 **Special Session, Chapter 5**

33 **73-10g-601 (Effective 05/07/25), as enacted by Laws of Utah 2024, Chapter 335 (Effective**
34 **05/07/25), as enacted by Laws of Utah 2024, Chapter 335**

ENACTS:

35 **19-4-116 (Effective 05/07/25), Utah Code Annotated 1953 (Effective 05/07/25), Utah Code**
36 **Annotated 1953**

37 **73-10g-606 (Effective 07/01/26), Utah Code Annotated 1953 (Effective 07/01/26), Utah Code**
38 **Annotated 1953**

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

44 Section 1. Section 17B-1-121 is amended to read:

45 **17B-1-121. Limit on fees -- Requirement to itemize and account for fees -- Appeals.**

- 47 (1) A special district may not impose or collect:
- 48 (a) an application fee that exceeds the reasonable cost of processing the application; or
- 49 (b) an inspection or review fee that exceeds the reasonable cost of performing an inspection or review.
- 51 (2)
- (a) Upon request by a service applicant who is charged a fee or an owner of residential property upon which a fee is imposed, a special district shall provide a statement of each itemized fee and calculation method for each fee.
- 54 (b) If an applicant who is charged a fee or an owner of residential property upon which a fee is imposed submits a request for a statement of each itemized fee no later than 30 days after the day on which the applicant or owner pays the fee, the special district shall, no later than 10 days after the day on which the request is received, provide or commit to provide within a specific time:
- 59 (i) for each fee, any studies, reports, or methods relied upon by the special district to create the calculation method described in Subsection (2)(a);
- 61 (ii) an accounting of each fee paid;
- 62 (iii) how each fee will be distributed by the special district; and
- 63 (iv) information on filing a fee appeal through the process described in Subsection (2)(c).
- 65 (c)
- (i) A special district shall establish an impartial fee appeal process to determine whether a fee reflects only the reasonable estimated cost of delivering the service for which the fee was paid.
- 68 (ii) A party to a fee appeal described in Subsection (2)(c)(i) may petition for judicial review of the special district's final decision.
- 70 (3) A special district may not impose on or collect from a public agency a fee associated with the public agency's development of the public agency's land other than:
- 72 (a) subject to Subsection (1), a hookup fee; or
- 73 (b) an impact fee, as defined in Section 11-36a-102 and subject to Section 11-36a-402, for a public facility listed in Subsection 11-36a-102(17)(a), (b), (c), (d), (e), or (g).
- 75 (4) This section does not apply to a fee or fee increase that is equal to the amount needed to pay a fee imposed on a special district under Sections 19-4-116 and 73-10g-606.

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Section 2. Section 17B-1-643 is amended to read:

17B-1-643. Imposing or increasing a fee for service provided by special district.

(1)

(a) Before imposing a new fee or increasing an existing fee for a service provided by a special district, each special district board of trustees shall first hold a public hearing at which:

(i) the special district shall demonstrate its need to impose or increase the fee; and

(ii) any interested person may speak for or against the proposal to impose a fee or to increase an existing fee.

(b) Each public hearing under Subsection (1)(a) shall be held in the evening beginning no earlier than 6 p.m.

(c) A public hearing required under this Subsection (1) may be combined with a public hearing on a tentative budget required under Section 17B-1-610.

(d) Except to the extent that this section imposes more stringent notice requirements, the special district board shall comply with Title 52, Chapter 4, Open and Public Meetings Act, in holding the public hearing under Subsection (1)(a).

(2)

(a) Each special district board shall give notice of a hearing under Subsection (1) as provided in Subsections (2)(b) and (c) or Subsection (2)(d).

(b) The special district board shall publish the notice described in Subsection (2)(a) for the special district, as a class A notice under Section 63G-30-102, for at least 30 days.

(c) The notice described in Subsection (2)(b) shall state that the special district board intends to impose or increase a fee for a service provided by the special district and will hold a public hearing on a certain day, time, and place fixed in the notice, which shall be not less than seven days after the day the notice is first posted as provided in Subsection (2)(b) for the purpose of hearing comments regarding the proposed imposition or increase of a fee and to explain the reasons for the proposed imposition or increase.

(d)

(i) In lieu of providing notice under Subsection (2)(b), the special district board of trustees may give the notice required under Subsection (2)(a) by mailing the notice to those within the district who:

(A) will be charged the fee for a district service, if the fee is being imposed for the first time; or

(B) are being charged a fee, if the fee is proposed to be increased.

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- 110 (ii) Each notice under Subsection (2)(d)(i) shall comply with Subsection (2)(c).
- 111 (iii) A notice under Subsection (2)(d)(i) may accompany a district bill for an existing fee.
- 113 (e) If the hearing required under this section is combined with the public hearing required under Section
17B-1-610, the notice required under this Subsection (2):
- 115 (i) may be combined with the notice required under Section 17B-1-609; and
- 116 (ii) shall be posted or mailed in accordance with the notice provisions of this section.
- 117 (f) Proof that notice was given as provided in Subsection (2)(b) or (d) is prima facie evidence that
notice was properly given.
- 119 (g) If no challenge is made to the notice given of a hearing required by Subsection (1) within 30 days
after the date of the hearing, the notice is considered adequate and proper.
- 122 (h) After holding a public hearing under Subsection (1), a special district board may:
- 123 (i) impose the new fee or increase the existing fee as proposed;
- 124 (ii) adjust the amount of the proposed new fee or the increase of the existing fee and then impose the
new fee or increase the existing fee as adjusted; or
- 126 (iii) decline to impose the new fee or increase the existing fee.
- 127 (i) This section applies to each new fee imposed and each increase of an existing fee that occurs on or
after July 1, 1998.
- 129 (j)
- (i) This section does not apply to an impact fee.
- 130 (ii) The imposition or increase of an impact fee is governed by Title 11, Chapter 36a, Impact Fees Act.
- 132 (k) This section does not apply to a fee or fee increase that is equal to the amount needed to pay a fee
imposed on a special district under Sections 19-4-116 and 73-10g-606.
- 134 Section 3. Section 3 is enacted to read:
- 135 **19-4-116. (Effective 05/07/25) Fee schedule-- Exemption -- Report -- Monitoring of fees.**
- 31 (1)
- (a) The department shall establish a fee schedule for the regulation of public water systems in the state
in accordance with Section 63J-1-504.
- 33 (b) To create the fee schedule described in Subsection (1)(a), the department shall:
- 34 (i) complete a review of program costs and indirect costs of regulating public water systems in the state,
after consulting with industry, local governments, special districts, and special service districts;
- 37 (ii) use the findings from the review described in Subsection (1)(b)(i); and

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- 38 (iii) evaluate other sources of funding to support the regulation of public water systems in the state.
- 40 (c) The fee schedule described in Subsection (1)(a) may:
- 41 (i) implement an annual fee on a public water system in the state, on the basis of consumption, for the
direct delivery of water to an end user for human consumption and other domestic uses;
- 44 (ii) implement a reasonable fee for plan review;
- 45 (iii) implement a reasonable fee for a public water system sanitary survey;
- 46 (iv) provide for reasonable and timely oversight of the fee schedule by the department; and
- 154 (v) be in an amount needed to reasonably enable the department and public water systems to:
- 48 ~~{(v)}~~ (A) {adequately meet the needs of public water systems and the department, including enabling
the department to } employ qualified personnel to appropriately oversee public drinking water
regulation~~{:}~~; and
- 158 (B) beginning on July 1, 2026, fund water infrastructure projects ranked and prioritized in the unified
water infrastructure plan under Section 73-10g-603.
- 51 (d) The fee schedule described in Subsection (1)(a) may include fees that provide financial incentives:
- 53 (i) to a public water system that is not a community water system if the public water system complies
with Section 19-4-114; and
- 55 (ii) to a community water system if the community water system:
- 56 (A) installs water meters on each residential connection in the community water system;
- 58 (B) adopts tiered water rates;
- 59 (C) creates a drinking water master plan report within 10 years before the day on which the fee is
imposed; and
- 61 (D) complies with Section 19-4-114.
- 171 (2) Except for water delivered by a wholesale water supplier directly to an end user for human
consumption and other domestic uses, a public water system that is a wholesale water supplier is
exempt from the fee established under Subsection (1)(c)(i).
- 174 (3) Agricultural water, as that term is defined in Section 73-10g-601, is exempt from the fee established
under Subsection (1).
- 62 ~~{(2)}~~ (4) A public water system shall submit payment of the fee established by Subsection (1) to the
department:
- 64 (a) in accordance with a schedule provided by the department; and
- 65 (b) using a form provided by the department.

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66 {~~(3)~~ {~~Except for a wholesale water supplier that delivers water directly to an end user for human~~
consumption and other domestic uses, a public water system that is a wholesale water supplier is
exempt from the fee established by Subsection (1)(c)(i).}}

69 {~~(4)~~ {~~The department shall:~~}

180 (5)

70 (a) ~~{retain}~~ Except as provided in Subsection (5)(b), the department shall deposit fees collected
under this section ~~{as dedicated credits; and}~~ into the Water Infrastructure Fund created in Section
73-10g-107.

71 (b) ~~{use}~~ The department shall retain a portion of the fees ~~{to administer the regulation of}~~ collected
under Subsection (1)(c) to offset the department's costs in regulating public water systems.

72 ~~{(5)}~~ (6) On or before October 31, 2025, the department shall report to the Natural Resources,
Agriculture, and Environment Interim Committee regarding the development of the fee schedule
described in Subsection (1).

75 ~~{(6)}~~ (7) The Office of the Legislative Fiscal Analyst shall monitor fees collected under this section.

190 Section 4. Section **63I-2-219** is amended to read:

191 **63I-2-219. (Effective 05/07/25) Repeal dates: Title 19.**

79 (1) Section 19-1-109, Clean Air Support Restricted Account, is repealed July 1, 2024.

80 (2) Section 19-2a-102.5, Emissions reduction plan study and recommendations, is repealed July 1,
2024.

82 (3) Subsection ~~{19-4-116(5)}~~ 19-4-116(6), regarding a requirement to report to an interim committee, is
repealed January 1, 2026.

197 Section 5. Section **63I-2-273** is amended to read:

198 **63I-2-273. Repeal dates: Title 73.**

[Reserved.] Subsection 73-10g-606(5), regarding a requirement to report to an interim
committee, is repealed January 1, 2027.

201 Section 6. Section **73-10g-601** is amended to read:

202 **73-10g-601. Definitions.**

As used in this part:

204 (1) "Agency plan" means a water infrastructure plan adopted by a relevant agency.

205 (2)

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(a) "Agricultural water" means water beneficially used in irrigation under a water right in this state for the production of food, fiber, or fuel, or other agricultural purpose.

208 (b) "Agricultural water" does not include water delivered:

209 (i) to an end user for human consumption and other domestic uses; or

210 (ii) through a secondary water connection.

211 [(2)] (3) "Executive director" means the executive director of the Department of Natural Resources.

213 [(3)] (4) "Relevant agency" means:

214 (a) the Division of Water Resources;

215 (b) the Division of Drinking Water;

216 (c) the Division of Water Quality;

217 (d) the Housing and Community Development Division; and

218 (e) the Department of Agriculture and Food.

219 (5) "Secondary water connection" means the same as that term is defined in Section 73-10-34.

221 [(4)] (6) "State council" means the Water Development Coordinating Council created in Sections 73-10c-3 and 79-2-201.

223 [(5)] (7) "Utah Watersheds Council" means the Utah Watersheds Council created in Section 73-10g-304.

225 [(6)] (8) "Water infrastructure fund money" means money in the Water Infrastructure Fund created by Section 73-10g-107.

227 Section 7. Section 7 is enacted to read:

228 **73-10g-606. Fee schedule --Approval of fee schedule -- Exemption -- Report -- Monitoring of fees.**

230 (1)

(a) Subject to Subsection (2), the state council may establish a fee schedule for public water systems for water service and delivery in the state.

232 (b) To create a fee schedule for public water systems, the state council shall use the findings from the review described in Section 73-10-39.

234 (2) The state council may not charge or collect a fee described in Subsection (1) without approval of the fee schedule by the Legislature in accordance with Section 63J-1-504.

236 (3) Agricultural water is exempt from a fee established under Subsection (1).

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(4) Subject to Subsection (2), a public water system shall submit payment of the fee established in Subsection (1) into the Water Infrastructure Fund created in Section 73-10g-107:

240 (a) in accordance with a schedule provided by the state council; and

241 (b) using a form provided by the state council.

242 (5) On or before October 31, 2026, the state council shall report to the Natural Resources, Agriculture, and Environment Interim Committee regarding the development of the fee schedule described in Subsection (1).

245 (6) The Office of the Legislative Fiscal Analyst shall monitor any fees collected under this section.

247 Section 8. **Effective date.**

{~~This~~} **Except as provided in Subsection (2), this** bill takes effect on May 7, 2025.

249 (2) **The actions affecting the following sections take effect on July 1, 2026:**

250 (a) **Section 73-10g-606 (Effective 07/01/26); and**

251 (b) **Section 63I-2-273 (Effective 07/01/26).**

3-3-25 12:22 PM