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**Water Leasing Amendments**  
2026 GENERAL SESSION  
STATE OF UTAH  
**Chief Sponsor: Jill Koford**  
Senate Sponsor: Scott D. Sandall

Cosponsor:	Joseph Elison	Stephanie Pitcher
John Arthur	Jake Fitisemanu	David Shallenberger
Jennifer Dailey-Provost	Sahara Hayes	Jason E. Thompson
James A. Dunnigan	Clinton D. Okerlund	

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**LONG TITLE**

**General Description:**

This bill addresses leasing of water.

**Highlighted Provisions:**

This bill:

- ▶ makes appropriations to the Great Salt Lake Preservation Program (program) nonlapsing;
- ▶ addresses diversion or impoundment by an intervening user of leased water;
- ▶ provides for streamlined leasing of certain water;
- ▶ directs the Great Salt Lake commissioner to facilitate leasing of water for the Great Salt Lake;
- ▶ creates the program;
- ▶ defines terms;
- ▶ creates the Great Salt Lake Preservation Board (board);
- ▶ provides for rulemaking by the board;
- ▶ establishes the leasing process;
- ▶ addresses applications related to a lease of water;
- ▶ authorizes the board to take action if a person violates a lease;
- ▶ requires reporting by the board and the state engineer;
- ▶ enacts a sunset date; and
- ▶ makes technical and conforming amendments.

23 **Money Appropriated in this Bill:**

24 This bill appropriates \$2,750,000 in operating and capital budgets for fiscal year 2027, all  
25 of which is from the General Fund.

26 **Other Special Clauses:**

27 None

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **63I-1-273 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 119

31 **63J-1-602.2 (Effective 05/06/26) (Partially Repealed 07/01/29)**, as last amended by Laws  
32 of Utah 2025, First Special Session, Chapter 17

33 **73-5-3 (Effective 05/06/26)**, as last amended by Laws of Utah 2014, Chapter 369

34 **73-32-202 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 93

35 ENACTS:

36 **73-3-30.5 (Effective 05/06/26)**, Utah Code Annotated 1953

37 **73-34-101 (Effective 05/06/26)**, Utah Code Annotated 1953

38 **73-34-201 (Effective 05/06/26)**, Utah Code Annotated 1953

39 **73-34-301 (Effective 05/06/26)**, Utah Code Annotated 1953

40 **73-34-302 (Effective 05/06/26)**, Utah Code Annotated 1953

41 **73-34-303 (Effective 05/06/26)**, Utah Code Annotated 1953

42 **73-34-401 (Effective 05/06/26)**, Utah Code Annotated 1953

43 **73-34-402 (Effective 05/06/26)**, Utah Code Annotated 1953

44

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

46 Section 1. Section **63I-1-273** is amended to read:

47 **63I-1-273 (Effective 05/06/26). Repeal dates: Title 73.**

48 (1) Subsection 73-1-4(2)(e)(xi), regarding a water right subject to an approved change  
49 application for use within a water bank that has been authorized but not dissolved, is  
50 repealed December 31, 2030.

51 (2) Subsection 73-10-4(1)(i), regarding management of an application to create a water  
52 bank, is repealed December 31, 2030.

53 (3) Section 73-10-39, Study and recommendations related to the financing of water  
54 infrastructure, is repealed July 1, 2027.

55 (4) Title 73, Chapter 10g, Part 2, Agricultural Water Optimization, is repealed July 1, 2028.

56 (5) Title 73, Chapter 10g, Part 7, Utah Water Agent, is repealed July 1, 2034.

- 57 (6) Section 73-18-3.5, Advisory council, is repealed July 1, 2029.
- 58 (7) Title 73, Chapter 27, Legislative Water Development Commission, is repealed January  
59 1, 2031.
- 60 (8) Title 73, Chapter 31, Water Banking Act, is repealed December 31, 2030.
- 61 (9) Section 73-32-302, Advisory council created -- Staffing -- Per diem and travel expenses  
62 -- Annual conflict of interest disclosure statement -- Exception -- Penalties, is repealed  
63 July 1, 2027.
- 64 (10) Section 73-32-303, Duties of the council, is repealed July 1, 2027.
- 65 (11) Title 73, Chapter 34, Great Salt Lake Preservation Program, is repealed July 1, 2030.
- 66 Section 2. Section **63J-1-602.2** is amended to read:
- 67 **63J-1-602.2 (Effective 05/06/26) (Partially Repealed 07/01/29). List of nonlapsing**  
68 **appropriations to programs.**
- 69 Appropriations made to the following programs are nonlapsing:
- 70 (1) The Legislature and the Legislature's committees.
- 71 (2) The State Board of Education, including all appropriations to agencies, line items, and  
72 programs under the jurisdiction of the State Board of Education, in accordance with  
73 Section 53F-9-103.
- 74 (3) The Rangeland Improvement Act created in Section 4-20-101.
- 75 (4) The Percent-for-Art Program created in Section 9-6-404.
- 76 (5) The LeRay McAllister Working Farm and Ranch Fund Program created in Title 4,  
77 Chapter 46, Part 3, LeRay McAllister Working Farm and Ranch Fund.
- 78 (6) The Utah Lake Authority created in Section 11-65-201.
- 79 (7) Dedicated credits accrued to the Utah Marriage Commission as provided under  
80 Subsection 17-66-303(2)(d)(ii).
- 81 (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.
- 82 (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection  
83 26B-3-108(7).
- 84 (10) The primary care grant program created in Section 26B-4-310.
- 85 (11) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.
- 86 (12) The Utah Health Care Workforce Financial Assistance Program created in Section  
87 26B-4-702.
- 88 (13) The Rural Physician Loan Repayment Program created in Section 26B-4-703.
- 89 (14) The Utah Medical Education Council for the:
- 90 (a) administration of the Utah Medical Education Program created in Section 26B-4-707;

- 91 (b) provision of medical residency grants described in Section 26B-4-711; and  
92 (c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.
- 93 (15) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.  
94 (16) The Communication Habits to reduce Adolescent Threats (CHAT) Pilot Program  
95 created in Section 26B-7-122.
- 96 (17) Funds that the Department of Alcoholic Beverage Services retains in accordance with  
97 Subsection 32B-2-301(8)(a) or (b).
- 98 (18) The General Assistance program administered by the Department of Workforce  
99 Services, as provided in Section 35A-3-401.
- 100 (19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.  
101 (20) The Search and Rescue Financial Assistance Program, as provided in Section  
102 53-2a-1102.
- 103 (21) The Emergency Medical Services Grant Program, as provided in Section 53-2d-207.  
104 (22) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 105 (23) The Utah Board of Higher Education for teacher preparation programs, as provided in  
106 Section 53H-5-402.
- 107 (24) Innovation grants under Section 53G-10-608, except as provided in Subsection  
108 53G-10-608(3).
- 109 (25) The Division of Fleet Operations for the purpose of upgrading underground storage  
110 tanks under Section 63A-9-401.
- 111 (26) The Division of Technology Services for technology innovation as provided under  
112 Section 63A-16-903.
- 113 (27) The State Capitol Preservation Board created by Section 63O-2-201.
- 114 (28) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.
- 115 (29) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado  
116 River Authority of Utah Act.
- 117 (30) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as  
118 provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.
- 119 (31) The Governor's Office of Economic Opportunity's Rural Employment Expansion  
120 Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion  
121 Program.
- 122 (32) County correctional facility contracting program for state inmates as described in  
123 Section 64-13e-103.
- 124 (33) County correctional facility reimbursement program for state probationary inmates and

- 125 state parole inmates as described in Section 64-13e-104.
- 126 (34) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.
- 127 (35) The Division of Human Resource Management user training program, as provided in  
128 Section 63A-17-106.
- 129 (36) A public safety answering point's emergency telecommunications service fund, as  
130 provided in Section 69-2-301.
- 131 (37) The Traffic Noise Abatement Program created in Section 72-6-112.
- 132 (38) The money appropriated from the Navajo Water Rights Negotiation Account to the  
133 Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a  
134 settlement of federal reserved water right claims.
- 135 (39) The Judicial Council for compensation for special prosecutors, as provided in Section  
136 77-10a-19.
- 137 (40) A state rehabilitative employment program, as provided in Section 78A-6-210.
- 138 (41) The Utah Geological Survey, as provided in Section 79-3-401.
- 139 (42) The Bonneville Shoreline Trail Program created under Section 79-5-503.
- 140 (43) Adoption document access as provided in Sections 81-13-103, 81-13-504, and  
141 81-13-505.
- 142 (44) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent Defense  
143 Commission.
- 144 (45) The program established by the Division of Facilities Construction and Management  
145 under Section 63A-5b-703 under which state agencies receive an appropriation and pay  
146 lease payments for the use and occupancy of buildings owned by the Division of  
147 Facilities Construction and Management.
- 148 (46) The State Tax Commission for reimbursing counties for deferrals in accordance with  
149 Section 59-2-1802.5.
- 150 (47) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.
- 151 (48) The Great Salt Lake Preservation Program created in Title 73, Chapter 34, Great Salt  
152 Lake Preservation Program.

153 Section 3. Section **73-3-30.5** is enacted to read:

154 **73-3-30.5 (Effective 05/06/26). Standardized leasing of water described in**  
155 **instream flow provisions.**

156 (1) As used in this section:

157 (a) "Concurring partner" means:

158 (i) a division, as defined in Section 73-3-30; or

- 159           (ii) the executive director of the Colorado River Authority of Utah, appointed under  
 160           Section 63M-14-401.
- 161           (b) "Land in agricultural use" means the same as that term is defined in Section 59-2-502.
- 162           (c) "Person entitled to the use of water" means the same as that term is defined in  
 163           Section 73-3-3.
- 164           (d) "Split season use" means making sequential use of a portion of a water right in the  
 165           same calendar year.
- 166       (2) The state engineer:
- 167           (a) shall prioritize the processing of an application if the conditions of Subsections (3)  
 168           and (4) are met; and
- 169           (b) may adjust the prioritization described in Subsection (2)(a) as necessary to address:
- 170           (i) a protest to the application; or
- 171           (ii) unusual conditions that make the initial prioritization infeasible.
- 172       (3) To qualify for prioritization under this section, a lease:
- 173           (a) may only lease water:
- 174           (i) for a beneficial use described in Section 73-3-30;
- 175           (ii) on a water right where the point of diversion is a surface source within an  
 176           established distribution system served by a water commissioner appointed by the  
 177           state engineer under Section 73-5-1; and
- 178           (iii) when the approved used for the underlying water right is for an irrigation,  
 179           industrial, or municipal purpose;
- 180           (b) may include a lease of water based on split season use; and
- 181           (c) may not include a lease of water diverted from an underground source of water.
- 182       (4) A person entitled to the use of water who files an application that complies with this  
 183       section shall:
- 184           (a) file the application by no later than December 1 for a lease agreement intended to  
 185           commence on or after April 1 in the following year;
- 186           (b) describe in the application the concurrence of the applicable concurring partner;
- 187           (c) for an application that includes a split season use on land in agricultural use, identify  
 188           a single period during the water right period of use, of at least four consecutive  
 189           weeks, that will be the basis for the split season use; and
- 190           (d) confirm that the application based on a lease of water meets the conditions of  
 191           Subsection (3) and this Subsection (4).
- 192       Section 4. Section **73-5-3** is amended to read:

193           **73-5-3 (Effective 05/06/26). Control by engineer of division and distribution**  
194 **under judgments.**

- 195 (1) The state engineer or the state engineer's designee shall carry into effect a judgment of a  
196 court in relation to the division, distribution, or use of water under the provisions of this  
197 title.
- 198 (2) The state engineer shall:
- 199 (a) divide water among several appropriators entitled to the water in accordance with the  
200 right of each appropriator;
- 201 (b) regulate and control the use of the water by closing or partially closing a head gate,  
202 cap, valve, or other controlling work of a ditch, canal, pipe, flume, well or tunnel, or  
203 other means of diversion to prevent the waste of water or its use in excess of the  
204 quantity to which an appropriator is lawfully entitled; and
- 205 (c) regulate a controlling work of reservoirs in accordance with ~~[the provisions of]~~this  
206 title.
- 207 (3)(a) If the state engineer regulates a head gate, cap, valve, or other controlling work of  
208 a ditch, canal, pipe, flume, well or tunnel, or other means of diversion, or the  
209 controlling work of a reservoir, the state engineer may attach to the controlling work  
210 a written notice, properly dated and signed, setting forth that the controlling work has  
211 been properly regulated and is wholly under the state engineer's control.
- 212 (b) The notice provided under Subsection (3)(a) ~~[shall be]~~ is a legal notice, as to the facts  
213 contained in the notice, to all parties interested in the division and distribution of the  
214 water of the ditch, canal, pipe, flume, well or tunnel, or other means of diversion, or  
215 reservoir.
- 216 (4)(a) If the state engineer is required to enter upon private property to carry out ~~[the~~  
217 ~~provisions of]~~this title and is refused by the owner or possessor of the property the  
218 right of entry, the state engineer may petition the district court for an order granting a  
219 right of entry.
- 220 (b) After notice and hearing, the court may grant the state engineer a right of entry, on  
221 security given by the state engineer to pay the owner of the property for ~~[all]~~damage  
222 caused by the entry.
- 223 (5)(a) Leased water approved for use under Section 73-3-30 for a purpose described in  
224 Section 73-3-30:
- 225 (i) is not subject to diversion or impoundment by an intervening user between the  
226 point where the water is released or would otherwise have been diverted for the

- 227 underlying water right and the approved place of use; and  
 228 (ii) may not be regulated or controlled by a person other than the state engineer or the  
 229 state engineer's designee.
- 230 (b) The state engineer may allocate water described in Subsection (5)(a) as if the water  
 231 was naturally flowing.
- 232 (c) When water described in Subsection (5)(a) reaches an impoundment or barrier that  
 233 impedes or interferes with the flow of the water, the owner or operator of the  
 234 impoundment or barrier:
- 235 (i) may not refuse to release the water from the impoundment or barrier; and  
 236 (ii) shall ensure that the water is passed through the impoundment or barrier upon the  
 237 direction of the state engineer or the state engineer's designee at the owner or  
 238 operator's sole expense.
- 239 (d) Nothing in this Subsection (5) prohibits the state engineer from regulating or  
 240 controlling water described in Subsection (5)(a) in accordance with a written  
 241 agreement between an individual water user, group of water users, or an owner or  
 242 operator of an impoundment or barrier described in Subsection (5)(c).

243 Section 5. Section **73-32-202** is amended to read:

244 **73-32-202 (Effective 05/06/26). Duties and authorizations of the commissioner.**

- 245 (1) The commissioner, under the administrative oversight of the executive director, shall:
- 246 (a) subject to Section 73-32-204, prepare an approved strategic plan for the long-term  
 247 health of the Great Salt Lake and update the strategic plan regularly;
- 248 (b) oversee the execution of the strategic plan by other state agencies as provided in  
 249 Section 73-32-203;
- 250 (c) maintain information that measures Great Salt Lake levels, salinity, and overall  
 251 health;
- 252 (d) meet regularly with the executive director and with the executive director of the  
 253 Department of Environmental Quality;
- 254 (e) consult with the Division of Forestry, Fire, and State Lands regarding Title 65A,  
 255 Chapter 16, Great Salt Lake Watershed Enhancement Program;
- 256 (f) monitor the integrated water assessment conducted under Chapter 10g, Part 4, Great  
 257 Salt Lake Watershed Integrated Water Assessment;
- 258 (g) inform the governor, the president of the Senate, and the speaker of the House of  
 259 Representatives, at least annually, about the status of the strategic plan and the  
 260 progress regarding implementation of the strategic plan;

- 261 (h) at least annually report to the Executive Appropriations Committee regarding the  
262 expenditure of money under this chapter;
- 263 (i) work cooperatively with and receive input and recommendations from the Great Salt  
264 Lake Trust Council created under Section 65A-16-301 in accordance with Section  
265 65A-16-302;
- 266 (j) coordinate and work collaboratively with water conservancy districts that serve water  
267 users within the Great Salt Lake watershed;
- 268 (k) consult on projects funded by state appropriations that are designed to acquire or  
269 lease water or water rights for the Great Salt Lake to ensure the project is consistent  
270 with the strategic plan;[-and]
- 271 (l) facilitate leasing under Chapter 34, Great Salt Lake Preservation Program; and  
272 ~~(l)~~ (m) annually report to the Natural Resources, Agriculture, and Environment Interim  
273 Committee regarding the activities of the commissioner.
- 274 (2) The commissioner may:
- 275 (a) access information from other state or federal agencies related to the Great Salt Lake;
- 276 (b) develop cooperative agreements between the state, political subdivisions, and  
277 agencies of the federal government for involvement in the strategic plan;
- 278 (c) produce research, documents, maps, studies, analysis, or other information that  
279 supports the strategic plan for the Great Salt Lake;
- 280 (d) facilitate and coordinate the exchange of information, comments, and  
281 recommendations on Great Salt Lake policies between and among:
- 282 (i) state agencies;
- 283 (ii) political subdivisions;
- 284 (iii) institutions of higher education that conduct research relevant to the Great Salt  
285 Lake;
- 286 (iv) nonprofit entities; and
- 287 (v) private business;
- 288 (e) communicate with the Great Salt Lake Watershed Council created under Chapter  
289 10g, Part 3, Watershed Councils Act;
- 290 (f) subject to Subsection (4), negotiate agreements, leases, or other means to acquire or  
291 lease water or water rights for the Great Salt Lake pursuant to the exemption under  
292 Subsection 63G-6a-107.6(2);[-and]
- 293 (g) accept money from public and private sources for the purpose of funding the leasing  
294 of water or water rights for the Great Salt Lake, including leases under Chapter 34,

- 295 Great Salt Lake Preservation Program; and  
296 [~~(g)~~] (h) perform other duties that the commissioner considers necessary or expedient to  
297 carry out the purposes of this chapter.
- 298 (3)(a) The commissioner may not expend money for the purpose of acquiring or leasing  
299 water or water rights without first obtaining a review and recommendations regarding  
300 the expenditure from the Great Salt Lake Trust Council created in accordance with  
301 Section 65A-16-301.
- 302 (b) The Great Salt Lake Trust Council shall review an expenditure described in  
303 Subsection (3)(a) and may make a favorable recommendation if the Great Salt Lake  
304 Trust Council finds that the expenditure is consistent with:
- 305 (i) the strategic plan; and  
306 (ii) activities of the water trust created in Title 65A, Chapter 16, Great Salt Lake  
307 Watershed Enhancement Program.
- 308 (4)(a) A change application for a water right acquired or leased under Subsection (2)(f)  
309 for use on sovereign lands in the Great Salt Lake shall be administered in accordance  
310 with Section 73-3-30.
- 311 (b) The commissioner shall consult with the commissioner of the Department of  
312 Agriculture and Food regarding terms and conditions for leasing agricultural water  
313 for the Great Salt Lake.
- 314 (5) In fulfilling the duties under this chapter, the commissioner shall consult and coordinate,  
315 as necessary, with:
- 316 (a) divisions within the department;  
317 (b) the Department of Agriculture and Food;  
318 (c) the Department of Environmental Quality;  
319 (d) other applicable state agencies;  
320 (e) political subdivisions of the state;  
321 (f) federal agencies;  
322 (g) elected officials; and  
323 (h) local tribal officials.

324 Section 6. Section **73-34-101** is enacted to read:

325 **CHAPTER 34. Great Salt Lake Preservation Program**

326 **Part 1. General Provisions**

327 **73-34-101 (Effective 05/06/26). Definitions.**

328 As used in this chapter:

- 329 (1) "Agricultural water" means water placed to beneficial use on land in agricultural use, as  
 330 defined under Section 59-2-502, that is located within the Utah portion of the Great Salt  
 331 Lake basin.
- 332 (2) "Agricultural water user" means a person, including a water company, who distributes  
 333 or is entitled to the use of agricultural water as:
- 334 (a) the record owner of a perfected water right in agricultural water;  
 335 (b) a person who has written authorization from a person described in Subsection (2)(a)  
 336 to file a change application on that person's behalf; or  
 337 (c) a shareholder in a water company who is authorized to file a change application in  
 338 accordance with Section 73-3-3.5.
- 339 (3) "Board" means the Great Salt Lake Preservation Board created by Section 73-34-201.
- 340 (4) "Commissioner" means the Great Salt Lake commissioner appointed under Section  
 341 73-32-201.
- 342 (5) "Great Salt Lake basin" means the area within:
- 343 (a) the surveyed meander line of the Great Salt Lake;  
 344 (b) the drainage areas of the Bear River or the Bear River's tributaries;  
 345 (c) the drainage areas of Bear Lake or Bear Lake's tributaries;  
 346 (d) the drainage areas of the Weber River or the Weber River's tributaries;  
 347 (e) the drainage areas of the Jordan River or the Jordan River's tributaries;  
 348 (f) the drainage areas of Utah Lake or Utah Lake's tributaries;  
 349 (g) other water drainages lying between the Bear River and the Jordan River that are  
 350 tributary to the Great Salt Lake and not included in the drainage areas described in  
 351 Subsections (5)(a) through (f); and  
 352 (h) the drainage area of Tooele Valley.
- 353 (6) "Program" means the program created under Section 73-34-301 by the board to lease  
 354 agricultural water from agricultural water users for the benefit of the Great Salt Lake.
- 355 (7) "Shareholder" means the same as that term is defined in Section 73-3-3.5.
- 356 (8) "Water company" means the same as that term is defined in Section 73-3-3.5.

357 Section 7. Section **73-34-201** is enacted to read:

358 **Part 2. Program Administration**

359 **73-34-201 (Effective 05/06/26). Great Salt Lake Preservation Board.**

- 360 (1) There is created within the Office of the Great Salt Lake Commissioner the Great Salt  
 361 Lake Preservation Board that consists of the following five members:

- 362 (a) one representative of agriculture appointed by the governor as a voting member to  
 363 serve a four-year term;
- 364 (b) the executive director of the Department of Natural Resources, or the executive  
 365 director's designee, to serve as a voting member;
- 366 (c) the commissioner of the Department of Agriculture and Food, or the commissioner  
 367 of agriculture and food's designee, to serve as a voting member;
- 368 (d) the commissioner, or the commissioner's designee, to serve as a nonvoting member;  
 369 and
- 370 (e) the state engineer, or the state engineer's designee, to serve as a nonvoting member.
- 371 (2) The commissioner is the chair of the board.
- 372 (3) When a vacancy occurs in the membership appointed under Subsection (1)(a) for any  
 373 reason, the governor shall appoint a replacement for the unexpired term.
- 374 (4)(a) Attendance of three voting members at a meeting constitutes a quorum for the  
 375 transaction of business.
- 376 (b) The vote of the majority of voting members when a quorum is present is an action of  
 377 the board.
- 378 (c) The board shall convene at the times and places prescribed by the chair.
- 379 (5) A member may not receive compensation or benefits for the member's service, but may  
 380 receive per diem and travel expenses in accordance with:
- 381 (a) Section 63A-3-106;
- 382 (b) Section 63A-3-107; and
- 383 (c) rules made by the Division of Finance in accordance with Sections 63A-3-106 and  
 384 63A-3-107.
- 385 (6) The board may:
- 386 (a) expend money to lease agricultural water under the program;
- 387 (b) make rules when authorized under this chapter; and
- 388 (c) take action under Section 73-34-401.

389 Section 8. Section **73-34-301** is enacted to read:

390 **Part 3. Leasing Process**

391 **73-34-301 (Effective 05/06/26). Program created -- Application process --**

392 **Rulemaking.**

- 393 (1) The board shall establish a program for the leasing of agricultural water from  
 394 agricultural water users for the benefit of the Great Salt Lake.
- 395 (2) The board shall annually set rates under the program for the leasing of agricultural water

396 from an agricultural water user. When determining rates for a lease under this chapter,  
397 the board shall consider the five-year average price for alfalfa hay, based on the United  
398 States Department of Agriculture Utah Direct Hay Report.

399 (3)(a) The board shall at least annually accept applications for the leasing of agricultural  
400 water for the benefit of the Great Salt Lake.

401 (b) The board shall at least annually award the leases of agricultural water under the  
402 program.

403 (4) Subject to Section 73-34-302, the board shall establish ranking and other criteria to  
404 determine from whom the board may lease agricultural water, except that the board shall  
405 prioritize senior adjudicated water rights.

406 (5) The board shall work cooperatively with the commissioner related to the  
407 commissioner's negotiation of agreements, leases, or other means to acquire or lease  
408 water or water rights for the benefit of the Great Salt Lake under Section 73-32-202.

409 (6) The board may, in accordance with Title 63G, Chapter 3, Utah Administrative  
410 Rulemaking Act, make rules establishing:

411 (a) the process for setting rates under Subsection (2);

412 (b) how a person submits an application, including the information required to be  
413 submitted;

414 (c) the criteria for awarding leases;

415 (d) conditions the board imposes on the award of a lease; and

416 (e) other matters necessary to administer leases under this chapter.

417 Section 9. Section **73-34-302** is enacted to read:

418 **73-34-302 (Effective 05/06/26). Leasing requirements.**

419 (1) The board may lease agricultural water:

420 (a) only to benefit the Great Salt Lake; and

421 (b) if for a full irrigation season, no more than two years out of a five-year period on the  
422 same agricultural field.

423 (2) Once a lease is approved by the board under the program, the agricultural user awarded  
424 the lease shall obtain approval of a water right application in accordance with this title.

425 Section 10. Section **73-34-303** is enacted to read:

426 **73-34-303 (Effective 05/06/26). State engineer duties related to applications --**

427 **Reporting.**

428 (1)(a) Under an application filed under Section 73-34-302, the state engineer shall limit  
429 approval of the application to the period specified in the lease.

430 (b) The state engineer shall approve the application in accordance with Section 73-3-30,  
 431 except that the state engineer shall condition the approval on annual reporting of the  
 432 measuring or monitoring of approved leases of agricultural water under the program.

433 (2)(a) The state engineer shall examine the measuring or monitoring of approved leases  
 434 of agricultural water under the program.

435 (b) By no later than December 31 of each year, the state engineer shall report to the  
 436 Legislative Water Development Commission challenges faced by the state in the  
 437 measuring and monitoring of agricultural water leased under the program for the  
 438 benefit of the Great Salt Lake.

439 Section 11. Section **73-34-401** is enacted to read:

440 **Part 4. Compliance and Oversight**

441 **73-34-401 (Effective 05/06/26). Board action for noncompliance -- Rulemaking.**

442 (1) The board may require a person awarded a lease under the program to repay the state for  
 443 money received under the lease if the board finds that the person failed to comply with  
 444 the conditions of the lease or diverted water in violation of the lease.

445 (2)(a) To commence an enforcement action under section, the board shall issue a notice  
 446 of violation that includes notice of the amount of repayment for which a person is  
 447 subject.

448 (b) The board's issuance and enforcement of a notice of violation is exempt from Title  
 449 63G, Chapter 4, Administrative Procedures Act.

450 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 451 board may make rules necessary to enforce a notice of violation, that includes:

452 (i) provisions consistent with this Subsection (2) for enforcement of the notice if a  
 453 person to whom a notice is issued fails to respond to the notice or abate the  
 454 violation;

455 (ii) the right to a hearing, upon request by a person against whom the notice is issued;  
 456 and

457 (iii) provisions for timely issuance of a final order after the person to whom the  
 458 notice is issued fails to respond to the notice or abate the violation, or after a  
 459 hearing held under Subsection (2)(c)(ii).

460 (d) A person may not intervene in an enforcement action commenced under this section.

461 (e) After issuance of a final order under rules made pursuant to Subsection (2)(c), the  
 462 board shall serve a copy of the final order on the person against whom the order is  
 463 issued by:

- 464 (i) personal service under Utah Rules of Civil Procedure, Rule 5; or  
 465 (ii) certified mail.
- 466 (f)(i) A court with jurisdiction may review the board's final order de novo in Salt  
 467 Lake County or the county where the violation occurred.
- 468 (ii) A person shall file a petition for judicial review of the board's final order issued  
 469 under this section within 20 days from the day on which the final order was served  
 470 on the person.
- 471 (g) The board may bring suit in a court with jurisdiction to enforce a final order issued  
 472 under this section.
- 473 (h) If the board prevails in an action brought under Subsection (2)(f) or (g), the state  
 474 may recover court costs and reasonable attorney fees.
- 475 (i) The board shall deposit money collected under this section into the General Fund as a  
 476 dedicated credit to be used to implement the program.
- 477 (3) This section does not limit or impair the state engineer's enforcement powers set forth in  
 478 Section 73-2-25.

479 Section 12. Section **73-34-402** is enacted to read:

480 **73-34-402 (Effective 05/06/26). Board report to Legislature.**

- 481 (1) The board shall document:
- 482 (a) the number of acre-feet delivered to the Great Salt Lake under the program;  
 483 (b) the number of leases awarded under the program; and  
 484 (c) the amount of money expended to lease agricultural water under the program.
- 485 (2) The board shall annually for the previous period beginning on October 1 and ending  
 486 September 30:
- 487 (a) post on a public website the information documented under Subsection (1); and  
 488 (b) report to the Legislative Water Development Commission by no later than November  
 489 30 the information documented under Subsection (1).

490 Section 1. **FY 2027 Appropriations.**

491 The following sums of money are appropriated for the fiscal year beginning July 1,  
 492 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for  
 493 fiscal year 2027.

494 Subsection 1(a). **Operating and Capital Budgets**

495 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the  
 496 Legislature appropriates the following sums of money from the funds or accounts indicated for  
 497 the use and support of the government of the state of Utah.

