

HB0349 compared with HB0349S01

addresses rulemaking related to the {loans} processes implemented and the recommendations issued by the board;and

- 12 ▶ {provides for repayment for the loans;}
- 13 ▶ {establishes the process for approving projects or proposals related to dams and reservoirs;}
- 14 ▶ {requires reporting; and}
- 15 ▶ {makes technical and conforming amendments;}
- 19 ▶ clarifies that recommendations are nonbinding.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

73-10-40 , Utah Code Annotated 1953

~~{73-10g-108 , Utah Code Annotated 1953}~~

AMENDS:

~~{73-10g-102 , as last amended by Laws of Utah 2024, Chapter 335}~~

~~{73-10g-104 , as last amended by Laws of Utah 2024, Chapter 522}~~

~~{73-10g-105 , as last amended by Laws of Utah 2020, Chapter 28}~~

~~{73-10g-106 , as enacted by Laws of Utah 2015, Chapter 458}~~

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

Section 1. Section 1 is enacted to read:

73-10-40. Consideration of increases to water storage.

(1) As used in this section:

(a) "Board" means the Board of Water Resources.

(b) "Division" means the Division of Water Resources.

(c) "Local sponsor" means a state agency, a local government agency, a tribe, or other local organization that works with a federal agency or the state to plan, build, and maintain a dam and associated reservoir.

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- 37 (d) "Project" means the construction of a new dam site and the associated reservoir.
- 38 (e) "Proposal" means actions proposed by a local sponsor to increase the capacity of a reservoir that
exists at the time a local sponsor applies for state funding under Subsection (4).
- 41 (2) The board may consider an application submitted by a local sponsor and may recommend to the
Legislature that the state fund, in whole or in part:
- 43 (a) a project to construct water storage in the state submitted by a local sponsor as described in
Subsection (3); or
- 45 (b) a proposal to increase the capacity of water storage in this state submitted by a local sponsor as
described in Subsection (4).
- 47 (3)
- (a) The board may recommend to the Legislature that the state fund, in whole or in part, the costs of a
project for which a local sponsor submits an application to construct water storage in this state if the
board finds that the criteria in Subsection (3)(b) is met.
- 51 (b) The board shall use the following criteria to determine whether the board shall recommend state
funding under Subsection (3)(a):
- 53 (i) whether there exists water rights that authorize reservoir storage at the location of the project for
which a local sponsor is applying;
- 55 (ii) whether there is a regional or state benefit to the project;
- 56 (iii) whether there exists a local sponsor that:
- 57 (A) is pursuing the project, including financially supporting the project; and
- 58 (B) will own and maintain the project;
- 59 (iv) whether construction of the project is anticipated to begin within five years of receipt of state
funding;
- 61 (v) the need for and affordability of the project; and
- 62 (vi) any other item the board considers necessary to evaluate the potential project.
- 63 (c) The board shall annually evaluate projects from a list of potential dam sites prepared by the division
to determine whether a project is eligible for consideration for state funding under this Subsection
(3) because the project meets the criteria of Subsection (3)(b).
- 67 (4)
- (a) The board may recommend to the Legislature that the state fund, in whole or in part, a proposal
under this Subsection (4) submitted by a local sponsor to increase the capacity of a reservoir that:

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- 70 (i) exists at the time the local sponsor submits the proposal; and
71 (ii) has reduced capacity because of sedimentation.
- 72 (b) A local sponsor shall include with the submission of a proposal under this Subsection (4) a
feasibility study that recommends the method to increase the capacity of the reservoir for which
funding is sought.
- 75 (c) The board may consider a proposal under this Subsection (4) at any time during a fiscal year.
- 77 (5) The board shall annually report to the Natural Resources, Agriculture, and Environmental Quality
Appropriations Subcommittee by no later than October 1 the following information for the
immediately preceding fiscal year:
- 80 (a) the number of projects for which state funding was applied for under Subsection (3);
81 (b) the projects under Subsection (3)(a) that the board recommends the state fund, in whole or in part;
83 (c) a list of projects determined to be eligible for consideration of state funding under Subsection (3)(c);
85 (d) the number of proposals for which state funding was applied for under Subsection (4); and
87 (e) the proposals under Subsection (4) that the board recommends the state fund, in whole or in part.
- 89 (6) The board may make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
Rulemaking Act, related to:
- 91 (a) the submission of an application under this section; and
92 (b) the board making recommendations for state funding, in whole or in part, of a project to construct or
a proposal to increase the capacity of water storage in this state.
- 94 (7) A recommendation or other action taken under this section by the board does not obligate the state
or require the Legislature to take any action or appropriate funding.

30 ~~{Section 1. Section 73-10g-102 is amended to read: }~~

31 **73-10g-102. Definitions.**

As used in this chapter:

- 33 (1) "Board" means the Board of Water Resources.
34 (2) "Division" means the Division of Water Resources.
35 (3) "Legislative Water Development Commission" means the commission created under Section
73-27-102.
- 37 (4) "Local sponsor" means a state agency, a local government agency, a tribe, or other local
organization that works with a federal agency or the state to plan, build, and maintain a dam and
associated reservoir.

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- 40 [~~(3)~~] (5) "Restricted account" means the Water Infrastructure Restricted Account created in Section
73-10g-103.
- 42 [~~(4)~~] (6) "Water Infrastructure Fund" means the enterprise fund created in Section 73-10g-107.
- 44 [~~(5)~~] (7) "Water infrastructure project" means:
- 45 (a) the following for the supply, control, measurement, treatment, distribution, storage, or transport of
water:
- 47 (i) planning;
- 48 (ii) design;
- 49 (iii) construction;
- 50 (iv) reconstruction;
- 51 (v) improvement;
- 52 (vi) renovation;
- 53 (vii) acquisition; or
- 54 (viii) seismic upgrade; or
- 55 (b) a project to engage in planning consistent with Part 6, Planning and Prioritization.
- 56 ~~{Section 2. Section 73-10g-104 is amended to read: }~~
- 57 **73-10g-104. Authorized use of the Water Infrastructure Restricted Account.**
Money in the restricted account is to be used, subject to appropriation, for:
- 59 (1) the development of the state's undeveloped share of the Bear and Colorado rivers, pursuant
to existing interstate compacts governing both rivers as described in Chapter 26, Bear River
Development Act, and Chapter 28, Lake Powell Pipeline Development Act;
- 62 (2) repair, replacement, or improvement of federal water projects for local sponsors in the state when
federal funds are not available;
- 64 (3) study and development of [~~rules, criteria, targets, processes, and plans~~] a rule, criteria, target,
process, or plan, as described in Subsection 73-10g-105(3);
- 66 (4) a project that benefits the Colorado River drainage in Utah, including [~~projects~~] a project for water
reuse, desalinization, building of dams, or water conservation, if a county or municipality that
benefits from the project:
- 69 (a) requires a new residential subdivision follow the regional conservation level of .59 acre-feet
regardless of whether the outside water is potable, reuse, or secondary water;
- 71 (b) adopts and implements the local water conservancy district's emergency drought contingency plan;

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- 73 (c) adopts and implements the local water conservancy district's grass rebate program's maximum grass
restrictions;
- 75 (d) prohibits grass in new retail, industrial, or commercial facility landscaping;
- 76 (e) has reuse water be managed by the local water conservancy district;
- 77 (f) does not withdraw water from an aquifer in excess of the safe yield of the aquifer as defined in
Section 73-5-15;
- 79 (g) adopts and implements excess water use surcharges;
- 80 (h) prohibits private water features in new development, such as a fountain, pond, or ski lake; and
- 82 (i) prohibits a large grassy [areas] area in new development, unless the large grassy area is open to the
general public;[~~and~~]
- 84 (5) a project recommended to the Legislature by the Water District Water Development Council,
created in Section 11-13-228, for generational water infrastructure, as defined in Section
11-13-228[-] ; and
- 87 (6) a project to construct or proposal to increase the capacity of water storage in this state approved
under Section 73-10g-108.

89 ~~{Section 3. Section 73-10g-105 is amended to read: }~~

90 **73-10g-105. Loans -- Rulemaking.**

- 91 (1)
- (a) The division and the board shall make rules, in accordance with Title 63G, Chapter 3, Utah
Administrative Rulemaking Act, in preparation to make [~~loans~~] a loan from available [~~funds~~] money
to repair, replace, or improve an underfunded federal water infrastructure [~~projects~~] project.
- 95 (b) Subject to Chapter 26, Bear River Development Act, and Chapter 28, Lake Powell Pipeline
Development Act, the division and the board shall make rules, in accordance with Title 63G,
Chapter 3, Utah Administrative Rulemaking Act, in preparation to make [~~loans~~] a loan from
available [~~funds~~] money to develop the state's undeveloped share of the Bear and Colorado rivers.
- 100 (c) Subject to Section 73-10g-108, the division and board shall make rules, in accordance with Title
63G, Chapter 3, Utah Administrative Rulemaking Act, in preparation to make a loan from available
money to facilitate a project to construct or proposal to increase the capacity of water storage in this
state approved under Section 73-10g-108.
- 105 (2) The rules described in Subsection (1) shall:
- 106 (a) specify the amount of money that [~~may be loaned~~] the board may loan;

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- 107 (b) specify the criteria the division and the board shall consider in prioritizing and awarding ~~[loans]~~ a
loan;
- 109 (c) specify the minimum qualifications for a person to receive a loan, including the amount of cost-
sharing to be the responsibility of the person applying for a loan;
- 111 (d) specify the terms of the loan, including the terms of repayment; and
- 112 (e) require an applicant for a loan to apply on ~~[forms]~~ a form provided by the division and in a manner
required by the division.
- 114 (3) The division and the board shall, in making the rules described in Subsection (1) and in consultation
with the Legislative Water Development Commission~~[-created in Section 73-27-102]:~~
- 117 (a) establish criteria for better water data and data reporting;
- 118 (b) establish new conservation targets based on the data described in Subsection (3)(a);
- 119 (c) institute a process for the independent verification of the data described in Subsection (3)(a);
- 121 (d) establish a plan for an independent review of:
- 122 (i) the proposed construction plan for an applicant's qualifying water infrastructure project; and
- 124 (ii) the applicant's plan to repay the loan for the construction of the proposed water infrastructure
project;
- 126 (e) invite and recommend public involvement; and
- 127 (f) set appropriate financing and repayment terms.
- 128 (4) The division and the board shall provide regular updates to the Legislative Management Committee
on the progress made under this section, including whether the division and board intend to issue a
request for proposals.

131 ~~{Section 4. Section 73-10g-106 is amended to read: }~~

132 **73-10g-106. Requirement for repayment.**

- 133 (1) ~~[Any money utilized]~~ A person who receives money used to construct water infrastructure to
develop the state's share of the Bear and Colorado Rivers ~~[are subject to]~~ shall repay the money
in accordance with the repayment provisions of ~~[Title 73, Chapter 26, Bear River Development~~
~~Act]~~ Chapter 26, Bear River Development Act, and Chapter 28, Lake Powell Pipeline Development
Act.
- 138 (2) ~~[Any money utilized]~~ A person who receives money used for the repair, replacement, or
improvement of federal water infrastructure projects when federal funds are not available shall ~~[be~~

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~~repaid pursuant to~~ repay the money in accordance with the terms and conditions established by the division and the board by rule under Section 73-10g-105.

- 142 (3) A local sponsor who receives money used to construct or increase the capacity of water storage in this state that is approved under Section 73-10g-108 shall repay the money in accordance with the terms and conditions established by the division and the board by rule under Section 73-10g-105.

146 Section 5. Section 5 is enacted to read:

147 **73-10g-108. Increases to water storage.**

148 (1) As used in this section:

149 (a) "Project" means the construction of a new dam site and the associated reservoir.

150 (b) "Proposal" means actions proposed by a local sponsor to increase the capacity of a reservoir that exists at the time a local sponsor applies for a loan under Subsection (4).

152 (2) The board shall consider an application submitted by a local sponsor and may issue a loan to the local sponsor for a project that meets the criteria listed in Subsection (3)(b).

154 (3)

(a) The board shall annually evaluate projects from a list of potential dam sites prepared by the division to determine whether a project is eligible for a loan issued under Subsection (2).

157 (b) The board shall use the following criteria to determine whether a project is eligible for a loan under Subsection (2):

159 (i) whether there exists water rights that authorize reservoir storage at the location of the project for which a local sponsor is applying;

161 (ii) whether there is a regional or state benefit to the project;

162 (iii) whether there exists a local sponsor that:

163 (A) is pursuing the project, including financially supporting the project; and

164 (B) will own and maintain the project;

165 (iv) whether construction of the project is anticipated to begin within five years of receipt of the loan;

167 (v) the need for and affordability of the project; and

168 (vi) any other item the board considers necessary to evaluate the potential project.

169 (4)

(a) The board may award a loan under this Subsection (4) to a local sponsor that applies for a loan for a proposal to increase the capacity of a reservoir that:

171 (i) exists at the time the local sponsor applies for a loan; and

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- 172 (ii) has reduced capacity because of sedimentation.
- 173 (b) A local sponsor shall include with an application for a loan under this Subsection (4) a feasibility
study that recommends the method to increase the capacity of the reservoir for which the loan is
sought.
- 176 (c) The board may award a loan under this Subsection (4) at any time during a fiscal year.
- 178 (5) The board shall report to the Legislative Water Development Commission each year by no later than
October 1 the following information for the immediately preceding fiscal year:
- 181 (a) the number and amount of loans issued under Subsection (2);
- 182 (b) the progress of each project listed in Subsection (5)(a);
- 183 (c) a list of projects eligible for a loan under Subsection (3);
- 184 (d) the number and amount of loans issued under Subsection (4); and
- 185 (e) the progress of each proposal listed under Subsection (5)(d).

96 Section 2. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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