

Water Leasing Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jill Koford

Senate Sponsor:

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 fixed time change 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.

Money Appropriated in this Bill:

This bill appropriates \$5,000,000 in operating and capital budgets for fiscal year 2027, all of which is from the General Fund.

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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31 **63J-1-602.2 (Effective 05/06/26) (Partially Repealed 07/01/29)**, as last amended by Laws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 *Be it enacted by the Legislature of the state of Utah:*

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

46 **63I-1-273 (Effective 05/06/26). Repeal dates: Title 73.**

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49 repealed December 31, 2030.

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51 bank, is repealed December 31, 2030.

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53 infrastructure, is repealed July 1, 2027.

54 (4) Title 73, Chapter 10g, Part 2, Agricultural Water Optimization, is repealed July 1, 2028.

55 (5) Title 73, Chapter 10g, Part 7, Utah Water Agent, is repealed July 1, 2034.

56 (6) Section 73-18-3.5, Advisory council, is repealed July 1, 2029.

57 (7) Title 73, Chapter 27, Legislative Water Development Commission, is repealed January
58 1, 2031.

59 (8) Title 73, Chapter 31, Water Banking Act, is repealed December 31, 2030.

60 (9) Section 73-32-302, Advisory council created -- Staffing -- Per diem and travel expenses
61 -- Annual conflict of interest disclosure statement -- Exception -- Penalties, is repealed
62 July 1, 2027.

63 (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) "Growing season" means the portion of a year in which local conditions permit
162 normal plant growth.

163 (c) "Land in agricultural use" means the same as that term is defined in Section 59-2-502.

164 (d) "Person entitled to the use of water" means the same as that term is defined in
165 Section 73-3-3.

166 (e) "Split season use" means making sequential use of a portion of a water right.

167 (2) The state engineer:

168 (a) shall prioritize the processing of an application if the conditions of Subsections (3)
169 and (4) are met; and

170 (b) may adjust the prioritization described in Subsection (2)(a) as necessary to address:
171 (i) a protest to the application; or
172 (ii) unusual conditions that make the initial prioritization infeasible.

173 (3) To qualify for prioritization under this section, a lease:

174 (a) may only lease water:

175 (i) for a beneficial use described in Section 73-3-30;
176 (ii) on a water right where the point of diversion is a surface source within an
177 established distribution system served by a water commissioner appointed by the
178 state engineer under Section 73-5-1; and
179 (iii) when the approved used for the underlying water right is for an irrigation,
180 industrial, or municipal purpose;

181 (b) may include a lease of water based on split season use; and

182 (c) may not include:

183 (i) a lease of water diverted from an underground source of water; or
184 (ii) a provision that will result in the removal of water from land in agricultural use
185 for more than two growing seasons out of a five-year period.

186 (4) A person entitled to the use of water who files an application that complies with this
187 section shall:

188 (a) file the application by no later than December 1 for a lease agreement intended to
189 commence with the growing season in the following year;

190 (b) describe in the application the concurrence of the applicable concurring partner;

191 (c) for an application that includes a split season use on land in agricultural use, identify
192 a single period during the growing season, of at least four consecutive weeks, that
193 will be the basis for the split season use; and

194 (d) confirm that the application based on a lease of water meets the conditions of
195 Subsection (3) and this Subsection (4).

196 Section 4. Section **73-5-3** is amended to read:

197 **73-5-3 (Effective 05/06/26). Control by engineer of division and distribution**
198 **under judgments.**

199 (1) The state engineer or the state engineer's designee shall carry into effect a judgment of a
200 court in relation to the division, distribution, or use of water under the provisions of this

201 title.

202 (2) The state engineer shall:

203 (a) divide water among several appropriators entitled to the water in accordance with the
204 right of each appropriator;

205 (b) regulate and control the use of the water by closing or partially closing a head gate,
206 cap, valve, or other controlling work of a ditch, canal, pipe, flume, well or tunnel, or
207 other means of diversion to prevent the waste of water or its use in excess of the
208 quantity to which an appropriator is lawfully entitled; and

209 (c) regulate a controlling work of reservoirs in accordance with[the provisions of] _this
210 title.

211 (3)(a) If the state engineer regulates a head gate, cap, valve, or other controlling work of
212 a ditch, canal, pipe, flume, well or tunnel, or other means of diversion, or the
213 controlling work of a reservoir, the state engineer may attach to the controlling work
214 a written notice, properly dated and signed, setting forth that the controlling work has
215 been properly regulated and is wholly under the state engineer's control.

216 (b) The notice provided under Subsection (3)(a) [shall be] is a legal notice, as to the facts
217 contained in the notice, to all parties interested in the division and distribution of the
218 water of the ditch, canal, pipe, flume, well or tunnel, or other means of diversion, or
219 reservoir.

220 (4)(a) If the state engineer is required to enter upon private property to carry out[the
221 provisions of] _this title and is refused by the owner or possessor of the property the
222 right of entry, the state engineer may petition the district court for an order granting a
223 right of entry.

224 (b) After notice and hearing, the court may grant the state engineer a right of entry, on
225 security given by the state engineer to pay the owner of the property for [all] damage
226 caused by the entry.

227 (5)(a) Leased water approved for use under Section 73-3-30 for a purpose described in
228 Section 73-3-30:

229 (i) is not subject to diversion or impoundment by an intervening user between the
230 point where the water is released or would otherwise have been diverted for the
231 underlying water right and the approved place of use; and

232 (ii) may not be regulated or controlled by a person other than the state engineer or the
233 state engineer's designee.

234 (b) The state engineer may treat water described in Subsection (5)(a) as if the water was

235 naturally flowing.

236 (c) When water described in Subsection (5)(a) reaches an impoundment or barrier that
237 impedes or interferes with the flow of the water, the owner or operator of the
238 impoundment or barrier:

239 (i) may not refuse to release the water from the impoundment or barrier; and
240 (ii) shall ensure that the water is passed through the impoundment or barrier upon the
241 direction of the state engineer or the state engineer's designee at the owner or
242 operator's sole expense.

243 (d) Nothing in this Subsection (5) prohibits the state engineer from regulating or
244 controlling water described in Subsection (5)(a) in accordance with a written
245 agreement between an individual water user, group of water users, or an owner or
246 operator of an impoundment or barrier described in Subsection (5)(c).

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

248 **73-32-202 (Effective 05/06/26). Duties and authorizations of the commissioner.**

249 (1) The commissioner, under the administrative oversight of the executive director, shall:

250 (a) subject to Section 73-32-204, prepare an approved strategic plan for the long-term
251 health of the Great Salt Lake and update the strategic plan regularly;

252 (b) oversee the execution of the strategic plan by other state agencies as provided in
253 Section 73-32-203;

254 (c) maintain information that measures Great Salt Lake levels, salinity, and overall
255 health;

256 (d) meet regularly with the executive director and with the executive director of the
257 Department of Environmental Quality;

258 (e) consult with the Division of Forestry, Fire, and State Lands regarding Title 65A,
259 Chapter 16, Great Salt Lake Watershed Enhancement Program;

260 (f) monitor the integrated water assessment conducted under Chapter 10g, Part 4, Great
261 Salt Lake Watershed Integrated Water Assessment;

262 (g) inform the governor, the president of the Senate, and the speaker of the House of
263 Representatives, at least annually, about the status of the strategic plan and the
264 progress regarding implementation of the strategic plan;

265 (h) at least annually report to the Executive Appropriations Committee regarding the
266 expenditure of money under this chapter;

267 (i) work cooperatively with and receive input and recommendations from the Great Salt
268 Lake Trust Council created under Section 65A-16-301 in accordance with Section

269 65A-16-302;

270 (j) coordinate and work collaboratively with water conservancy districts that serve water

271 users within the Great Salt Lake watershed;

272 (k) consult on projects funded by state appropriations that are designed to acquire or

273 lease water or water rights for the Great Salt Lake to ensure the project is consistent

274 with the strategic plan; [and]

275 (l) facilitate leasing under Chapter 34, Great Salt Lake Preservation Program; and

276 [¶] (m) annually report to the Natural Resources, Agriculture, and Environment Interim

277 Committee regarding the activities of the commissioner.

278 (2) The commissioner may:

279 (a) access information from other state or federal agencies related to the Great Salt Lake;

280 (b) develop cooperative agreements between the state, political subdivisions, and

281 agencies of the federal government for involvement in the strategic plan;

282 (c) produce research, documents, maps, studies, analysis, or other information that

283 supports the strategic plan for the Great Salt Lake;

284 (d) facilitate and coordinate the exchange of information, comments, and

285 recommendations on Great Salt Lake policies between and among:

286 (i) state agencies;

287 (ii) political subdivisions;

288 (iii) institutions of higher education that conduct research relevant to the Great Salt

289 Lake;

290 (iv) nonprofit entities; and

291 (v) private business;

292 (e) communicate with the Great Salt Lake Watershed Council created under Chapter

293 10g, Part 3, Watershed Councils Act;

294 (f) subject to Subsection (4), negotiate agreements, leases, or other means to acquire or

295 lease water or water rights for the Great Salt Lake pursuant to the exemption under

296 Subsection 63G-6a-107.6(2); [and]

297 (g) accept money from public and private sources for the purpose of funding the leasing

298 of water or water rights for the Great Salt Lake, including leases under Chapter 34,

299 Great Salt Lake Preservation Program; and

300 [¶] (h) perform other duties that the commissioner considers necessary or expedient to

301 carry out the purposes of this chapter.

302 (3)(a) The commissioner may not expend money for the purpose of acquiring or leasing

303 water or water rights without first obtaining a review and recommendations regarding
304 the expenditure from the Great Salt Lake Trust Council created in accordance with
305 Section 65A-16-301.

306 (b) The Great Salt Lake Trust Council shall review an expenditure described in
307 Subsection (3)(a) and may make a favorable recommendation if the Great Salt Lake
308 Trust Council finds that the expenditure is consistent with:
309 (i) the strategic plan; and
310 (ii) activities of the water trust created in Title 65A, Chapter 16, Great Salt Lake
311 Watershed Enhancement Program.

312 (4)(a) A change application for a water right acquired or leased under Subsection (2)(f)
313 for use on sovereign lands in the Great Salt Lake shall be administered in accordance
314 with Section 73-3-30.

315 (b) The commissioner shall consult with the commissioner of the Department of
316 Agriculture and Food regarding terms and conditions for leasing agricultural water
317 for the Great Salt Lake.

318 (5) In fulfilling the duties under this chapter, the commissioner shall consult and coordinate,
319 as necessary, with:
320 (a) divisions within the department;
321 (b) the Department of Agriculture and Food;
322 (c) the Department of Environmental Quality;
323 (d) other applicable state agencies;
324 (e) political subdivisions of the state;
325 (f) federal agencies;
326 (g) elected officials; and
327 (h) local tribal officials.

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

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

330 **Part 1. General Provisions**

331 **73-34-101 (Effective 05/06/26). Definitions.**

332 As used in this chapter:

333 (1) "Agricultural water" means water placed to beneficial use on land in agricultural use, as
334 defined under Section 59-2-502, that is located within the Utah portion of the Great Salt
335 Lake basin.

336 (2) "Agricultural water user" means a person who is entitled to the use of agricultural water
337 as:

- 338 (a) the record owner of a perfected water right in agricultural water;
- 339 (b) a person who has written authorization from a person described in Subsection (2)(a)
340 to file a change application on that person's behalf; or
- 341 (c) a shareholder in a water company who is authorized to file a change application in
342 accordance with Section 73-3-3.5.

343 (3) "Board" means the Great Salt Lake Preservation Board created by Section 73-34-201.

344 (4) "Commissioner" means the Great Salt Lake commissioner appointed under Section
345 73-32-201.

346 (5) "Great Salt Lake basin" means the area within:

- 347 (a) the surveyed meander line of the Great Salt Lake;
- 348 (b) the drainage areas of the Bear River or the Bear River's tributaries;
- 349 (c) the drainage areas of Bear Lake or Bear Lake's tributaries;
- 350 (d) the drainage areas of the Weber River or the Weber River's tributaries;
- 351 (e) the drainage areas of the Jordan River or the Jordan River's tributaries;
- 352 (f) the drainage areas of Utah Lake or Utah Lake's tributaries;
- 353 (g) other water drainages lying between the Bear River and the Jordan River that are
354 tributary to the Great Salt Lake and not included in the drainage areas described in
355 Subsections (5)(a) through (f); and
- 356 (h) the drainage area of Tooele Valley.

357 (6) "Program" means the program created under Section 73-34-301 by the board to lease
358 agricultural water from agricultural water users for the benefit of the Great Salt Lake.

359 (7) "Shareholder" means the same as that term is defined in Section 73-3-3.5.

360 (8) "Water company" means the same as that term is defined in Section 73-3-3.5.

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

362 **Part 2. Program Administration**

363 **73-34-201 (Effective 05/06/26). Great Salt Lake Preservation Board.**

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

- 366 (a) one representative of agriculture appointed by the governor as a voting member to
367 serve a four-year term;
- 368 (b) the executive director of the Department of Natural Resources, or the executive
369 director's designee, to serve as a voting member;

370 (c) the commissioner of the Department of Agriculture and Food, or the commissioner
371 of agriculture and food's designee, to serve as a voting member;

372 (d) the commissioner, or the commissioner's designee, to serve as a nonvoting member;
373 and

374 (e) the state engineer, or the state engineer's designee, to serve as a nonvoting member.

375 (2) The commissioner is the chair of the board.

376 (3) When a vacancy occurs in the membership appointed under Subsection (1)(a) for any
377 reason, the governor shall appoint a replacement for the unexpired term.

378 (4)(a) Attendance of three voting members at a meeting constitutes a quorum for the
379 transaction of business.

380 (b) The vote of the majority of voting members when a quorum is present is an action of
381 the board.

382 (c) The board shall convene at the times and places prescribed by the chair.

383 (5) A member may not receive compensation or benefits for the member's service, but may
384 receive per diem and travel expenses in accordance with:

385 (a) Section 63A-3-106;

386 (b) Section 63A-3-107; and

387 (c) rules made by the Division of Finance in accordance with Sections 63A-3-106 and
388 63A-3-107.

389 (6) The board may:

390 (a) expend money to lease agricultural water under the program;

391 (b) make rules when authorized under this chapter; and

392 (c) take action under Section 73-34-401.

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

394 **Part 3. Leasing Process**

395 **73-34-301 (Effective 05/06/26). Program created -- Application process --**

396 **Rulemaking.**

397 (1) The board shall establish a program for the leasing of agricultural water from
398 agricultural water users for the benefit of the Great Salt Lake.

399 (2) The board shall annually set rates under the program for the leasing of agricultural water
400 from an agricultural water user. When determining rates for a lease under this chapter,
401 the board shall consider the five-year average price for alfalfa hay, based on the United
402 States Department of Agriculture Utah Direct Hay Report.

403 (3)(a) The board shall at least annually accept applications for the leasing of agricultural

404 water for the benefit of the Great Salt Lake.

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

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

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

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

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

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

418 (c) the criteria for awarding leases;

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

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

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

422 **73-34-302 (Effective 05/06/26). Leasing requirements.**

423 (1) The board may lease agricultural water:

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

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

427 (2) Once a lease is approved by the board under the program, the agricultural user awarded
428 the lease shall obtain approval of a fixed time change application in accordance with
429 Section 73-34-304.

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

431 **73-34-303 (Effective 05/06/26). State engineer duties related to fixed time change**
432 **applications -- Reporting.**

433 (1)(a) Under a fixed time change application filed under Section 73-34-302, the state
434 engineer shall limit approval of the fixed time change application to the period
435 specified in the lease.

436 (b) The state engineer shall approve the fixed time change application in accordance
437 with Section 73-3-30, except that the state engineer shall condition the approval on

438 annual reporting of the measuring or monitoring of approved leases of agricultural
439 water under the program.

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

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

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

447 **Part 4. Compliance and Oversight**

448 **73-34-401 (Effective 05/06/26). Board action for noncompliance -- Rulemaking.**

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

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

455 (b) The board's issuance and enforcement of a notice of violation is exempt from Title
456 63G, Chapter 4, Administrative Procedures Act.

457 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
458 board may make rules necessary to enforce a notice of violation, that includes:
459 (i) provisions consistent with this Subsection (2) for enforcement of the notice if a
460 person to whom a notice is issued fails to respond to the notice or abate the
461 violation;

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

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

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

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

471 (i) personal service under Utah Rules of Civil Procedure, Rule 5; or

(ii) certified mail.

(f)(i) A court with jurisdiction may review the board's final order de novo in Salt Lake County or the county where the violation occurred.

(ii) A person shall file a petition for judicial review of the board's final order issued under this section within 20 days from the day on which the final order was served on the person.

(g) The board may bring suit in a court with jurisdiction to enforce a final order issued under this section.

(h) If the board prevails in an action brought under Subsection (2)(f) or (g), the state may recover court costs and reasonable attorney fees.

(i) The board shall deposit money collected under this section into the General Fund as a dedicated credit to be used to implement the program.

(3) This section does not limit or impair the state engineer's enforcement powers set forth in Section 73-2-25.

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

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

(1) The board shall document:

(a) the number of acre-feet delivered to the Great Salt Lake under the program;

(b) the number of leases awarded under the program; and

(c) the amount of money expended to lease agricultural water under the program.

(2) The board shall annually for the previous period beginning on October 1 and ending September 30:

- (a) post on a public website the information documented under Subsection (1); and
- (b) report to the Legislative Water Development Commission by no later than November 30 the information documented under Subsection (1).

Section 13. **FY 2027 Appropriations.**

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

Subsection 13(a). Operating and Capital Budgets

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

ITEM 1 To Department of Natural Resources - Office of the Great Salt Lake Commissioner

506	From General Fund	5,000,000
507	Schedule of Programs:	
508	Great Salt Lake Preservation Program	5,000,000
509	Section 14. Effective Date.	
510	<u>This bill takes effect on May 6, 2026.</u>	