

Jill Koford proposes the following substitute bill:

1 **Water Leasing Amendments**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jill Koford

Senate Sponsor:

2 **LONG TITLE**

3 **General Description:**

4 This bill addresses leasing of water.

5 **Highlighted Provisions:**

6 This bill:

7

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

23 **Money Appropriated in this Bill:**

24 This bill appropriates \$5,000,000 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31 **63J-1-602.2 (Effective 05/06/26) (Partially Repealed 07/01/29)**, as last amended by Laws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 [+] (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 [+] (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

Section 65A-16-301.

(b) The Great Salt Lake Trust Council shall review an expenditure described in Subsection (3)(a) and may make a favorable recommendation if the Great Salt Lake Trust Council finds that the expenditure is consistent with:

- (i) the strategic plan; and
- (ii) activities of the water trust created in Title 65A, Chapter 16, Great Salt Lake Watershed Enhancement Program.

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

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

(5) In fulfilling the duties under this chapter, the commissioner shall consult and coordinate, as necessary, with:

- (a) divisions within the department;
- (b) the Department of Agriculture and Food;
- (c) the Department of Environmental Quality;
- (d) other applicable state agencies;
- (e) political subdivisions of the state;
- (f) federal agencies;
- (g) elected officials; and
- (h) local tribal officials.

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

CHAPTER 34. Great Salt Lake Preservation Program

Part 1. General Provisions

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

As used in this chapter:

- (1) "Agricultural water" means water placed to beneficial use on land in agricultural use, as defined under Section 59-2-502, that is located within the Utah portion of the Great Salt Lake basin.
- (2) "Agricultural water user" means a person, including a water company, who distributes 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:

Part 2. Program Administration

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;

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

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

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

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

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

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

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

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

(a) Section 63A-3-106-

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

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

(6) The board may:

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

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

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

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

Part 3. Leasing Process

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

Rulemaking.

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

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

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

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

program.

- (4) Subject to Section 73-34-302, the board shall establish ranking and other criteria to determine from whom the board may lease agricultural water, except that the board shall prioritize senior adjudicated water rights.
- (5) The board shall work cooperatively with the commissioner related to the commissioner's negotiation of agreements, leases, or other means to acquire or lease water or water rights for the benefit of the Great Salt Lake under Section 73-32-202.
- (6) The board may, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules establishing:
 - (a) the process for setting rates under Subsection (2);
 - (b) how a person submits an application, including the information required to be submitted;
 - (c) the criteria for awarding leases;
 - (d) conditions the board imposes on the award of a lease; and
 - (e) other matters necessary to administer leases under this chapter.

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

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

- (1) The board may lease agricultural water:
 - (a) only to benefit the Great Salt Lake; and
 - (b) if for a full irrigation season, no more than two years out of a five-year period on the same agricultural field.
- (2) Once a lease is approved by the board under the program, the agricultural user awarded the lease shall obtain approval of a water right application in accordance with this title.

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

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

Reporting.

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

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

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

(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

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

From General Fund 5,000,000

Schedule of Programs:

Great Salt Lake Preservation Program 5,000,000

Section 14. Effective Date.

This bill takes effect on May 6, 2026.