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H.B. 546

Water Infrastructure Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Thomas W. Peterson

Senate Sponsor:

LONG TITLE

General Description:

This bill addresses storm water and storm water's effects on the Great Salt Lake.

Highlighted Provisions:

This bill:

- defines terms;
- creates the Storm Water Improvements Fund, including providing for loans to political subdivisions;
- requires a study on the management of storm water in the Great Salt Lake basin;
- requires reporting on the study;
- modifies references to revolving loan funds; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63A-3-205, as last amended by Laws of Utah 2022, Chapters 100, 451

63B-1b-102, as last amended by Laws of Utah 2022, Chapters 100, 451

63C-25-101, as last amended by Laws of Utah 2024, Chapter 419

ENACTS:

19-5-108.7, Utah Code Annotated 1953

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

Section 1. Section **19-5-108.7** is enacted to read:

19-5-108.7 . Storm water study and funding.

(1) As used in this section:

H.B. 546

- 31 (a) "Fund" means the Storm Water Improvements Fund created by this section.
- 32 (b) "Great Salt Lake basin" means the area within:
- 33 (i) the surveyed meander line of the Great Salt Lake;
- 34 (ii) the drainage areas of the Bear River or the Bear River's tributaries;
- 35 (iii) the drainage areas of Bear Lake or Bear Lake's tributaries;
- 36 (iv) the drainage areas of the Weber River or the Weber River's tributaries;
- 37 (v) the drainage areas of the Jordan River or the Jordan River's tributaries;
- 38 (vi) the drainage areas of Utah Lake or Utah Lake's tributaries;
- 39 (vii) other water drainages lying between the Bear River and the Jordan River that are
- 40 tributary to the Great Salt Lake and not included in the drainage areas described in
- 41 Subsections (1)(b)(ii) through (vi); and
- 42 (viii) the drainage area of Tooele Valley.
- 43 (c) "Low impact development" means the same as that term is defined in Section
- 44 19-5-108.5.
- 45 (d) "Political subdivision" means a county, city, town, improvement district, water
- 46 conservancy district, special service district, drainage district, metropolitan water
- 47 district, irrigation district, separate legal or administrative entity created under Title
- 48 11, Chapter 13, Interlocal Cooperation Act, or any other entity constituting a political
- 49 subdivision under the laws of this state.
- 50 (e) "Storm water" means the same as that term is defined in Section 19-5-108.5.
- 51 (2)(a) There is created an enterprise fund called the "Storm Water Improvements Fund."
- 52 (b) The fund consists of:
- 53 (i) money appropriated or otherwise made available to the fund by the Legislature;
- 54 (ii) money received for the repayment of loans made by the board under this section;
- 55 and
- 56 (iii) interest or earnings under Subsection (2)(c).
- 57 (c) The state treasurer shall:
- 58 (i) invest the money in the fund in accordance with Title 51, Chapter 7, State Money
- 59 Management Act; and
- 60 (ii) deposit the interest or other earnings derived from those investments into the fund.
- 61 (d) The money in the fund is available for loans to political subdivisions, administrative
- 62 costs, or other purposes of this section to the extent the money is appropriated by the
- 63 Legislature for that purpose.
- 64 (e) The board may, in accordance with this section, loan money available in the fund to a

- 65 political subdivision in the Great Salt Lake basin to be used for:
- 66 (i) upgrading storm water infrastructure, including to:
- 67 (A) maintain or improve flood control;
- 68 (B) protect water quality; and
- 69 (C) prevent erosion; or
- 70 (ii) replacing low impact development with alternate forms of storm water
- 71 infrastructure while maintaining water quality.
- 72 (f) A political subdivision may apply to the board for a loan under this section to:
- 73 (i) meet the purposes described in Subsection (2)(e); and
- 74 (ii) support availability of water being distributed to the Great Salt Lake.
- 75 (g) A loan made under this section shall:
- 76 (i) have a fixed annual interest rate below municipal bond market rates based on
- 77 policies developed by the board;
- 78 (ii) have a term no longer than 30 years; and
- 79 (iii) comply with rules made by the board under Subsection (2)(h).
- 80 (h) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 81 board shall make rules establishing:
- 82 (i) the form, content, and procedure for a loan application;
- 83 (ii) criteria and procedures for prioritizing a loan application;
- 84 (iii) procedures for making a loan;
- 85 (iv) procedures for administering and ensuring repayment of a loan, including late
- 86 payment penalties; and
- 87 (v) procedures for recovering on a defaulted loan.
- 88 (3)(a) The division shall study the management of storm water in the Great Salt Lake
- 89 basin.
- 90 (b) The study conducted under this Subsection (3) shall include examination of:
- 91 (i) the water quality relationship to low impact development;
- 92 (ii) the feasibility of regionalized solutions;
- 93 (iii) the water quantity advantages of storm water projects that are not low impact
- 94 development;
- 95 (iv) how to maximize the amount of storm water that reaches the Great Salt Lake;
- 96 (v) funding needs;
- 97 (vi) priorities for awarding money;
- 98 (vii) subject to Subsection (3)(c), water supply benefits; and

(viii) coordination with utilities.

(c) The division shall coordinate with the Division of Water Resources in examining water supply benefits.

(d) The division shall report the findings of the study to the Legislative Water Development Commission by no later than the 2025 November interim meetings of the Legislature.

Section 2. Section **63A-3-205** is amended to read:

63A-3-205 . Revolving loan funds -- Standards and procedures.

(1) As used in this section, "revolving loan fund" means:

- (a) the Water Resources Conservation and Development Fund, created in Section 73-10-24;
- (b) the Water Resources Construction Fund, created in Section 73-10-8;
- (c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;
- (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels and Emission Reduction Technology Program Act;
- (e) the Water Development Security Fund and its subaccounts, created in Section 73-10c-5;
- (f) the Agriculture Resource Development Fund, created in Section 4-18-106;
- (g) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;
- (h) the Permanent Community Impact Fund, created in Section 35A-8-303;
- (i) the Petroleum Storage Tank Fund, created in Section 19-6-409;
- (j) the Uintah Basin Revitalization Fund, created in Section 35A-8-1602;
- (k) the Navajo Revitalization Fund, created in Section 35A-8-1704; [and]
- (l) the Energy Efficiency Fund, created in Section 11-45-201[.] ; and
- (m) the Storm Water Improvements Fund, created in Section 19-5-108.7.

(2) The division shall for each revolving loan fund make rules establishing standards and procedures governing:

- (a) payment schedules and due dates;
- (b) interest rate effective dates;
- (c) loan documentation requirements; and
- (d) interest rate calculation requirements.

Section 3. Section **63B-1b-102** is amended to read:

63B-1b-102 . Definitions.

As used in this chapter:

- (1) "Agency bonds" means any bond, note, contract, or other evidence of indebtedness representing loans or grants made by an authorizing agency.
- (2) "Authorized official" means the state treasurer or other person authorized by a bond document to perform the required action.
- (3) "Authorizing agency" means the board, person, or unit with legal responsibility for administering and managing revolving loan funds.
- (4) "Bond document" means:
- (a) a resolution of the commission; or
 - (b) an indenture or other similar document authorized by the commission that authorizes and secures outstanding revenue bonds from time to time.
- (5) "Commission" means the State Bonding Commission, created in Section 63B-1-201.
- (6) "Revenue bonds" means any special fund revenue bonds issued under this chapter.
- (7) "Revolving Loan Funds" means:
- (a) the Water Resources Conservation and Development Fund, created in Section 73-10-24;
 - (b) the Water Resources Construction Fund, created in Section 73-10-8;
 - (c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;
 - (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels and Emission Reduction Technology Program Act;
 - (e) the Water Development Security Fund and its subaccounts, created in Section 73-10c-5;
 - (f) the Agriculture Resource Development Fund, created in Section 4-18-106;
 - (g) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;
 - (h) the Permanent Community Impact Fund, created in Section 35A-8-303;
 - (i) the Petroleum Storage Tank Fund, created in Section 19-6-409; [and]
 - (j) the State Infrastructure Bank Fund, created in Section 72-2-202[-] ; and
 - (k) the Storm Water Improvements Fund, created in Section 19-5-108.7.

Section 4. Section **63C-25-101** is amended to read:

63C-25-101 . Definitions.

As used in this chapter:

- (1) "Authority" means the same as that term is defined in Section 63B-1-303.
- (2) "Bond" means the same as that term is defined in Section 63B-1-101.
- (3)(a) "Bonding government entity" means the state or any entity that is authorized to issue bonds under any provision of state law.

(b) "Bonding government entity" includes:

(i) a bonding political subdivision; and

(ii) a public infrastructure district that is authorized to issue bonds either directly, or through the authority of a bonding political subdivision or other governmental entity.

(4) "Bonding political subdivision" means:

(a) the Utah Inland Port Authority, created in Section 11-58-201;

(b) the Military Installation Development Authority, created in Section 63H-1-201;

(c) the Point of the Mountain State Land Authority, created in Section 11-59-201;

(d) the Utah Lake Authority, created in Section 11-65-201;

(e) the State Fair Park Authority, created in Section 11-68-201; or

(f) the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.

(5) "Commission" means the State Finance Review Commission created in Section 63C-25-201.

(6) "Concessionaire" means a person who:

(a) operates, finances, maintains, or constructs a government facility under a contract with a bonding political subdivision; and

(b) is not a bonding government entity.

(7) "Concessionaire contract" means a contract:

(a) between a bonding government entity and a concessionaire for the operation, finance, maintenance, or construction of a government facility;

(b) that authorizes the concessionaire to operate the government facility for a term of five years or longer, including any extension of the contract; and

(c) in which all or some of the annual source of payment to the concessionaire comes from state funds provided to the bonding government entity.

(8) "Creating entity" means the same as that term is defined in Section 17D-4-102.

(9) "Government facility" means infrastructure, improvements, or a building that:

(a) costs more than \$5,000,000 to construct; and

(b) has a useful life greater than five years.

(10) "Large public transit district" means the same as that term is defined in Section 17B-2a-802.

(11) "Loan entity" means the board, person, unit, or agency with legal responsibility for making a loan from a revolving loan fund.

- (12) "Obligation" means the same as that term is defined in Section 63B-1-303.
- (13) "Parameters resolution" means a resolution of a bonding government entity that sets forth for proposed bonds:
- (a) the maximum:
 - (i) amount of bonds;
 - (ii) term; and
 - (iii) interest rate; and
 - (b) the expected security for the bonds.
- (14) "Public infrastructure district" means a public infrastructure district created under Title 17D, Chapter 4, Public Infrastructure District Act.
- (15) "Revolving loan fund" means:
- (a) the Water Resources Conservation and Development Fund, created in Section 73-10-24;
 - (b) the Water Resources Construction Fund, created in Section 73-10-8;
 - (c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;
 - (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels and Emission Reduction Technology Program Act;
 - (e) the Water Development Security Fund and its subaccounts, created in Section 73-10c-5;
 - (f) the Agriculture Resource Development Fund, created in Section 4-18-106;
 - (g) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;
 - (h) the Permanent Community Impact Fund, created in Section 35A-8-303;
 - (i) the Petroleum Storage Tank Fund, created in Section 19-6-409;
 - (j) the School Building Revolving Account, created in Section 53F-9-206;
 - (k) the State Infrastructure Bank Fund, created in Section 72-2-202;
 - (l) the Uintah Basin Revitalization Fund, created in Section 35A-8-1602;
 - (m) the Navajo Revitalization Fund, created in Section 35A-8-1704;
 - (n) the Energy Efficiency Fund, created in Section 11-45-201;
 - (o) the Brownfields Fund, created in Section 19-8-120;
 - (p) any of the enterprise revolving loan funds created in Section 63A-3-402~~[:and]~~ ;
 - ~~(q) the Storm Water Improvements Fund, created in Section 19-5-108.7; and~~
 - ~~[(q)] (r)~~ any other revolving loan fund created in statute where the borrower from the revolving loan fund is a public non-profit entity or political subdivision, including a fund listed in Section 63A-3-205, from which a loan entity is authorized to make a

235 loan.

236 (16)(a) "State funds" means an appropriation by the Legislature identified as coming
237 from the General Fund or Education Fund.

238 (b) "State funds" does not include:

239 (i) a revolving loan fund; or

240 (ii) revenues received by a bonding political subdivision from:

241 (A) a tax levied by the bonding political subdivision;

242 (B) a fee assessed by the bonding political subdivision; or

243 (C) operation of the bonding political subdivision's government facility.

244 Section 5. **Effective Date.**

245 This bill takes effect on May 7, 2025.