

1 **Data Center Water Policy Amendments**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jill Koford

Sponsor:

LONG TITLE**General Description:**

This bill addresses reporting related to water use and data centers.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ directs land use authorities to issue certain notices;
- ▶ requires certain large data centers to communicate with water providers;
- ▶ requires reporting by operators of certain data centers before construction and annually;
- ▶ addresses disclosure of the reported information;
- ▶ provides for enforcement mechanisms;
- ▶ addresses rulemaking; and
- ▶ makes technical and conforming amendments.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:21 **AMENDS:**

22 **73-2-25**, as last amended by Laws of Utah 2014, Chapter 369

23 **ENACTS:**

24 **73-5-8.3**, Utah Code Annotated 1953

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

27 Section 1. Section **73-2-25** is amended to read:

28 **73-2-25 . State engineer enforcement powers.**

29 (1) For purposes of this section, "initial order" means one of the following issued by the
30 state engineer:

- (a) a notice of violation; or
- (b) a cease and desist order.
- (a) Except as provided in Subsection (2)(b), the state engineer may commence an enforcement action under this section if the state engineer finds that a person:
 - (i) is diverting, impounding, or using water for which no water right has been established;
 - (ii) is diverting, impounding, or using water in violation of an existing water right;
 - (iii) violates Section 73-5-4;
 - (iv) violates Section 73-5-9;
 - (v) violates a written distribution order from the state engineer;
 - (vi) violates Section 73-3-29;
 - (vii) violates a notice or order regarding dam safety issued under Chapter 5a, Dam Safety;
 - (viii) fails to submit a report required by Section 73-3-25; [or]
 - (ix) engages in well drilling without a license required by Section 73-3-25[.]; or
 - (x) fails to submit a report required by Section 73-5-8.3.
- (b) The state engineer may not commence an enforcement action against a person under Subsection (2)(a)(i), if the person directly captures, or stores, precipitation on the surface of, or under, a parcel owned or leased by the person, including in a catch basin, storm drain pipe, swell, or pond, if the collection or storage:
 - (i) is consistent with local laws and ordinances;
 - (ii) does not interfere with an existing water right; and
 - (iii) is designed to slow, detain, or retain storm water or protect watersheds from pollution with the intention that the precipitation:
 - (A) absorbs into the ground or is released for discharge; and
 - (B) is not put to beneficial use.
- (c) To commence an enforcement action under this section, the state engineer shall issue an initial order, which shall include:
 - (i) a description of the violation;
 - (ii) notice of any penalties to which a person may be subject under Section 73-2-26,
except a person who violates Section 73-5-8.3 is subject to the penalties in Section 73-5-8.3; and
 - (iii) notice that the state engineer may treat each day's violation of the provisions listed in Subsection (2)(a) as a separate violation under Subsection 73-2-26(1)(d)

65 or Section 73-5-8.3.

66 (d) The state engineer's issuance and enforcement of an initial order is exempt from Title
67 63G, Chapter 4, Administrative Procedures Act.

68 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
69 state engineer shall make rules necessary to enforce an initial order, which shall include:

70 (a) provisions consistent with this section and [Section] Sections 73-2-26 and 73-5-8.3
71 for enforcement of the initial order if a person to whom an initial order is issued fails
72 to respond to the order or abate the violation;

73 (b) the right to a hearing, upon request by a person against whom an initial order is
74 issued; and

75 (c) provisions for timely issuance of a final order after:

76 (i) the person to whom the initial order is issued fails to respond to the order or abate
77 the violation; or

78 (ii) a hearing held under Subsection (3)(b).

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

80 (5) After issuance of a final order under rules made [pursuant to] in accordance with
81 Subsection (3)(c), the state engineer shall serve a copy of the final order on the person
82 against whom the order is issued by:

83 (a) personal service under Utah Rules of Civil Procedure, Rule 5; or
84 (b) certified mail.

85 (6)(a) The state engineer's final order may be reviewed by trial de novo by the [district]
86 court with jurisdiction in:

87 (i) Salt Lake County; or
88 (ii) the county where the violation occurred.

89 (b) A person shall file a petition for judicial review of the state engineer's final order
90 issued under this section within 20 days from the day on which the final order was
91 served on that person.

92 (7) The state engineer may bring suit in a court [of competent] with jurisdiction to enforce a
93 final order issued under this section.

94 (8) If the state engineer prevails in an action brought under Subsection (6)(b) or (7), the
95 state may recover all court costs and a reasonable attorney fee.

96 Section 2. Section **73-5-8.3** is enacted to read:

97 **73-5-8.3 . Reporting by large data centers.**

98 (1) As used in this section:

99 (a) "Construction activity" means a physical activity necessary to construct a large data
100 center as may be defined by the division by rule made in accordance with Title 63G,
101 Chapter 3, Utah Administrative Rulemaking Act.

102 (b) "Division" means the Division of Water Rights.

103 (c) "Land use authority" means:
104 (i) a land use authority, as defined in Section 10-9a-103, of a municipality; or
105 (ii) a land use authority, as defined in Section 17-27a-103, of a county.

106 (d) "Large data center" means a facility that:
107 (i) houses a group of networked server computers in one physical location to
108 disseminate, manage, and store data and information as the primary service of the
109 facility;
110 (ii) consists of one or more buildings that in total equals or exceeds 50,000 square
111 feet;
112 (iii) includes facilities and infrastructure for environmental control, cooling, and
113 security required to deliver the desired service with respect to the specific facility;
114 (iv) is owned or leased by:
115 (A) the operator of the data center facility; or
116 (B) a person under common ownership, as defined in Section 59-7-101, of the
117 operator of the data center facility; and
118 (v) is located on one or more parcels of land that are owned or leased by:
119 (A) the operator of the data center facility; or
120 (B) a person under common ownership, as defined in Section 59-7-101, of the
121 operator of the data center facility.

122 (e) "Municipality" means the same as that term is defined in Section 10-1-104.

123 (f) "Operator of the large data center" means the owner or operator of the large data
124 center, or other person who has comparable rights of use over a large data center,
125 including any person responsible for allocating space for external use of information
126 technology and network telecommunications equipment within a large data center.

127 (g) "Water provider" means:
128 (i) a retail water supplier, as defined in Section 19-4-102; or
129 (ii) a water conservancy district formed under Title 17B, Chapter 2a, Part 10, Water
130 Conservancy District Act.

131 (h) "Water used" means the total amount of water consumed by a data center, including
132 water used for cooling, measured in gallons.

133 (2) Before a land use authority of a municipality or county approves a land use application
134 for a large data center, the land use authority shall notify the following by mail or email:
135 (a) the division;
136 (b) the Division of Water Quality; and
137 (c) the relevant water supplier, if any.

138 (3) Beginning January 1, 2027, at least 180 days, but no sooner than 360 days, before the
139 operator of the large data center facility begins construction activities related to a large
140 data center, the operator of the large data center shall:

141 (a) communicate with the water provider that will provide water to the large data center
142 facility to demonstrate from where the large data center facility anticipates obtaining
143 the water used; and

144 (b) report to the division:

145 (i) the municipality and county in which the large data center will be located;
146 (ii) the organization of the planned large data center as a single operator enterprise or
147 managed data center, colocated facility, or a container or modular data center;
148 (iii) the projected amount of water that the large data center will divert annually and
149 monthly reported in gallons;
150 (iv) the projected amount of water used that the large data center will use annually
151 and monthly reported in gallons;
152 (v) how the projected amount of water used will be used;
153 (vi) the projected annual discharges by type and amount;
154 (vii) how discharges will be treated, if applicable;
155 (viii) whether and, if so, the extent to which discharge temperature will be adjusted;
156 and
157 (ix) whether and, if so, the extent to which the large data center will engage in water
158 reuse or activities to replace water used by the large data center.

159 (4)(a) Subject to Subsection (4)(b), after a large data center begins operation, the
160 operator of the large data center shall report to the division:

161 (i) updates, if any, to the information reported under Subsection (3);
162 (ii) efforts made to reduce water consumption over the past calendar year;
163 (iii) a comparison of:

164 (A) projected water use for the calendar year previous to the year being reported
165 on;

166 (B) actual use for the calendar year being reported on; and

167 (C) projected water use for the next calendar year;
168 (iv) efforts to protect the environment and public from polluted water in the previous
169 calendar year; and
170 (v) other information required by the division by rule made in accordance with Title
171 63G, Chapter 3, Utah Administrative Rulemaking Act.

172 (b) Beginning January 1, 2027, an operator of a large data center shall report to the
173 division the information required by Subsection (4)(a):
174 (i) annually by no later than January 1; and
175 (ii) for the previous calendar year.

176 (5)(a) The division shall treat the information reported to the division under Subsection
177 (3) or (4) as proprietary information that may not be disclosed as a protected record
178 under Subsection 63G-2-305(2) if the operator of the large data center complies with
179 Section 63G-2-309, except that the division shall annually disclose by no later than
180 July 1 aggregated and anonymized data from the reports submitted under Subsection
181 (3) or (4) for the previous calendar year:
182 (i) on the division's website; and
183 (ii) to each municipality or county in which is located a large data center required to
184 report under this section.

185 (b) Notwithstanding Subsection (5)(a), the division shall provide non-proprietary
186 information from a report under Subsection (3) or (4) to the Division of Water
187 Quality and the relevant water provider, if any.

188 (6)(a) The division may enforce the reporting requirements in accordance with this
189 Subsection (6).
190 (b) If the operator of a large data center fails to submit a report required under
191 Subsection (3) or (4) or submits an incomplete report, the division shall notify the
192 operator of the large data center of the failure or incompleteness.
193 (c) If the operator of the large data center fails to submit a complete report after receipt
194 of notice under Subsection (6)(b), the division shall impose a fine in accordance with
195 Section 73-2-25 of up to \$10,000 for each day the operator of the large data center
196 fails to comply with this Subsection (6).
197 (d) The division shall deposit money collected under this Subsection (6) into the General
198 Fund.

199 **Section 3. Effective Date.**

200 This bill takes effect on May 6, 2026.